THE IMPERIAL GOVERNMENT OF IRAN

PLAN AND BUDGET ORGANIZATION

SUMMARY OF THE

FIFTH NATIONAL DEVELOPMENT PLAN

1973-1978

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Notes

1. The Fifth Plan runs from the first day of 1352 (March 21st 1973) to the last day of 1356 (March 20th 1978), in accordance with the Jalali calendar officially in use in Iran.

2. The official rate of exchange for the Iranian Rials is $1.00 = Rls. 67.50 (buying), Rls. 67.75 (selling).

3. The term «billion» has been used throughout in the sense of one thousand million. Except for certain oil insustry terms, all units are those of the metric system.

CHAPTER

1

Basic Objectives and General Guidelines and Policies of the Fifth Plan

Introduction

As a result of the sustained economic growth and profound social transformations of the past decade Iran is now rapidly entering the advanced stages of social and economic development. In the course of this development new horizons and opportunities will present themselves, and at the same time it will be necessary for the country to prepare itself to deal with problems of greater complexity.

The experience of other countries, both developed and developing, indicates that rapidly rising national income is not necssarily accompanied by the more equitable distribution of this income among the various social groups. Nevertheless, as a result of Iran's social and economic revolution, not only have per capita incomes risen rapidly but major progress has also been made towards a more equitable distribution of national income. As the Shahanshah Aryamehr said in the speech from the Throne inaugurating the current session of Parliament,

«Our policy in the Fifth Five-Year Plan is to lay particular stress on the twin policies of agricultural development and expanded social welfare, so that by implementing the Plan living standards, especially among the lower income groups, are raised, and at the same time every Iranian feels deeply conscious of his responsibility to improve the society he lives in and participate in his country's affairs, to the best of his abilities.»

1. Major objectives of the Fifth Plan

Within the framework of this philosophy, the major objectives of the Fifth Plan, in order of priority, are as follows:

a) to raise levels of knowledge, culture, health and social welfare, to the greatest extent possible;

b) to ensure a more equitable distribution of national income, emphasizing in particular a rapid rise in standards of living and welfare among low-income groups;

c) to maintain a rapid and sustained rate of economic growth, accompanied by relative price stability and a healthy balance of payments;

d) to ensure productive employment in all regions of the country, so as to absorb all new entrants to the labour market and achieve a considerable decrease in disguised and seasonal unemployment;

e) to create greater social and economic balance between the various regions of the country;

f) to utilize fully the productive capacity established in previous

development plans, and raise productivity in the manufacturing, marketing and service activities of both the public and the private sector;

g) to improve the system of administration in keeping with the high national objectives, and to strengthen the country's defences;

h) to preserve, rehabilitate and improve the environment;

i) to increase Iran's share of international trade and ensure a greater Iranian presence in new markets, with due regard to the country's recently acquired industrial specializations. This policy will also be observed by non-Government organizations.

To achieve these objectives three major principles will dominate all the social and economic policies of the Plan:

First: All Government agencies and organizations will vigorously observe planning discipline, just as military discipline is observed.

Secondly: A revolutionary spirit of thrift, economy and a campaign against luxury must dominate the manner in which public funds are spent and become the normal way of life. The principle will necessitate the creation of new attitudes and social values, and the enactment of legislation and specific regulations aimed at preventing conspicuous expenditure and wasting national wealth.

Thirdly: The objectives and principles of the Plan must be constantly defended, and, except in cases justified by higher national interests, never subject to change because of day-to-day exigencies.

2. General social economic guidelines and policies

To achieve the objectives of the Plan, in addition to the allocations for investment, requires a series of conditions, which may be regarded as general social and economic policies. These involve such fields as population, income distribution, methods of investment, expansion of domestic credits and utilization of foreign credits, price stability, consumer protection, finance and budgeting, administrative affairs, increased productivity on the part of public enterprises, and mass media. The Fifth Plan policies with regard to these factors are as follows:

2.1. Population

The objective is to reduce Iran's rate of population growth to about half its present level by the end of 1370. The objective of the Fifth Plan is to reduce the rate of population growth from 31 per thousand in 1351 to 26 per thousand at the end of the Plan period. Among the main policies for achieving this reduction are raising incomes and improving the welfare of low-income groups, developing the mass media, propagating education, especially in rural areas and low-income groups in urban areas, expanding the network of family planning clinics, and the increasingly important role played by the Revolutionary Corps in propagating effective family planning techniques.

2.2. More equitable income distribution

The following policies have been provided for in formulating the Plan:

- to create productive employment for all new entrants to the labour market and to convert unproductive jobs into productive ones;

- for the Government to invest on a larger scale in social affairs, such as housing, education, medical, health and welfare services, and better nutrition for low-income groups;

- to raise agricultural production per unit of land and provide minimum price guarantees for major agricultural products, and to supply farmers with credit facilities, seed, fertilizer and other inputs at low cost;

- to emphasize the establishment of more development poles for agriculture, industry, tourism and education, throughout the country;

- to develop small-scale industries in rural areas and small towns;

- to adopt regional development policies so as gradually to reduce disparities in social and economic growth between the various regions of the country;

- to emphasize the policy of decentralizing administrative services;

- to emphasize raising levels of technical and vocational education for industrial and agricultural workers;

- to ensure that more agricultural manpower is absorbed by the industrial and services sectors;

- to set minimum wage-scales for workers on the basis of living costs or per capita gross national product;

- to continue and expand the sale to employees of part of the equity of productive enterprises.

2.3. Investment

Specific policies are as follows:

- to increase the level of transfers of financial resources from the public sector to the private sector in the form of loans;

- to encourage greater private investment in small-scale labour-intensive industries;

- to emphasize foreign investment in Iran in manufacturing industry and in fields where Iran can obtain access to the latest technology, and be assured of export markets, and achieve positive results with regard to domestic value added, job-creation and training of Iranian employees.

With respect to Government investment from Fifth Plan development credits, in view of the particular emphasis placed by the Plan on the development of agriculture, industry and social affairs, there will be considerable changes as compared with the Fourth Plan. Fifth Plan credits for agriculture will be more than four times what they were in the Fourth Plan, and credits for social affairs will be almost five times as high, although total Fifth Plan development credits are only 2.8 times the Fourth Plan

level. Top priority in social affairs goes to education, followed by housing, public health, medical services and nutrition. This emphasis on social programmes will in no way prevent the expansion of investment in productive activities, for which total development credits will be more than double the corresponding Fourth Plan figure. Among the productive sectors, the order of importance will be agriculture, water, industry and mining, power and fuel.

2.4. Utilization of domestic banking system credits, foreign loans and credits

In this field the following policies are envisaged:

- to make the maximum use of private sector savings through sales of Government bonds;

- to expand banking system credits to meet the capital requirements of the agricultural, industrial, housing, education, medical and health and other sectors of the economy, with due regard for the need to maintain relative price stability and a favourable balance of payments;

- to emphasize long-term foreign loans and avoid short-term loans so as to prevent increased repayments of such loans in the immediate future.

2.5. Prices

The following policies will be enforced with regard to prices:

- to maintain relative price stability through appropriate Government policies in the fields of finance, credit and foreign trade. In complementing the policy of maintaining relative price stability the Government will strenuously oppose inflation and unwarranted increases in prices;

- to adopt the necessary measures to improve the ratio between the prices of agricultural produce and manufactured goods in the interest of agricultural producers;

- in cases where the goods or services are exclusively provided by Government or private enterprises, (such as electricity, telephone services, transport, water, tobacco, motor vehicles, television sets, and the like), whether such exclusivity is de facto or sanctioned by law, the Government will exercise direct supervision and control over the prices, conditions of sale and quality of the goods or services in question by establishing one or more boards with competence to carry out such functions.

2.6. Consumer protection

The following policies will be enforced with regard to consumer protection:

- to provide consumers with reliable information regarding the quality of manufactured goods and the prices of similar alternatives;

- to amend existing legislation governing the offer for sale of goods and services and legal sanctions against persons who defraud the con-

sumer or endanger his health, and where necessary to enact new legislation;

- to expand and develop research institutes and laboratories involved in quality control and standardization of goods.

2.7. Government financial and budgeting policies

In view of the expansion of Government services and the need to strengthen the country's defence capability and improve the condition of civil servants, the following financial and budgeting policies will be followed in the Fifth Plan:

- to make sustained efforts to mobilize financial resources to a greater degree and improve the system of collecting taxes and revenues;

- to stress the increased productivity and profitability of Government companies and public enterprises so that they make a greater contribution to the State Budget;

- to coordinate the Ordinary Budget and the Development Budget so that total annual credits from the State General Budget allocated to any Government agency for current and investment expenditures can be reviewed in detail at the same time, and to establish a powerful system of supervising the implementation of the State General Budget.

2.8. Administrative Revolution

The most important objective of the country's administrative policy will be the complete implementation of the Administrative Revolution and the following principles will be followed as the basis for Government action:

- to avoid administrative congestion and centralization in the capital by graduallylimiting administrative personnel to those with staff responsibilities and distributing other Government personnel among the provinces in accordance with the volume of executive duties and local needs, while at the same time assigning greater authority to those in charge of provincial and urban district departments;

- to raise levels of administrative and technical skills among Government employees;

- to evaluate the work of civil servants and enforce a system of incentives and penalities;

- to extend the proper use of electronic data processing in Government agencies as an aid to decision-making, good management and faster service to the public;

- with regard to the salaries and allowances of civil servants, to recommend the payment of equal pay for equal work and the gradual establishment of a reasonable relationship between maximum and minimum salaries, while also providing for adjustments in the salaries and allowances of civil servants in line with increases in per capita national income;

- to provide for the welfare of civil servants, particularly through the establishment of consumer and housing cooperatives;

- to revise the Civil Service Code with a view to abolishing the present tendency for people to seek academic qualifications solely for the purpose of obtaining administrative employment or promotion, so that technical ability, expertise and previous experience become the main criteria for employment or promotion, with academic qualifications only being considered as one of the deciding factors;

- in the case of public enterprises, first, to lay particular stress on the establishment of short-term management courses for senior personnel, and secondly, to ensure that all such enterprises use modern accounting systems and publish their balance sheets, statements of profit and loss and annual reports regularly.

2.9. Mass media

In view of the appreciable effect of the mass media on public opinion, especially among children and young adults, all the media will be utilized in accordance with a comprehensive and balanced programme to achieve the following objectives:

a) to strengthen religious foundations and national and cultural unity and promote greater interchange of ideas between officials and the public concerning important social, economic and cultural policies;

b) to motivate the public to accept new ideas;

c) to create a sense of discipline, perseverance and vocational conscience, prepare the public to fulfill their social responsibilities, and encourage active public participation, especially on the part of young people, in development affairs, while at the same time utilizing all democratic and progressive organizations, such as village, municipal, urban district and provincial councils, the Universal Welfare Legion and the Revolutionary Corps, to attract public participation and mobilize the younger generation to prepare and implement development programmes.

CHAPTER 2

Quantitative Objectives and Government Financial Programme

1. Quantitative objectives

1.1. Gross National Product

Within the framework of the basic objectives and policies, the gross national product at current prices will increase at an average annual rate of growth of 15.3 per cent from about 1,149 billion Rials at the end of the Fourth Plan to about 2,345 billion Rials at the end of the Fifth Plan. The gross domestic product, at current prices, will rise during the period from about 1,226 billion Rials to about 2,499 billion Rials.

Since the population will increase during this period from about 31.2 million to about 36 million, per capita GNP will rise from about 36,800 Rials ($535) in 1351 to about 65,100 Rials ($947) in 1356, while per capita GDP will rise from 39,300 Rials ($571) at the end of the Fourth Plan to about 69,400 ($1,009) at the end of the Fifth Plan.

Table 1 shows the gross national product and its components during the Fifth Plan.

Table 1. Gross National Product and Gross Domestic Product at current prices
(billion Rials)

	1346	1351	1356	Average annual change during the Fourth Plan period (per cent)	Average annual change during the Fifth Plan period (per cent)
1. Consumption expenditure	457	902	1,736	14.5	14
a. Private sector	(371)	(683)	(1,256)	(13.0)	(13)
b. Public sector	(86)	(219)	(480)	(20.6)	(17)
2. Gross domestic fixed capital formation	119	254	645	16.3	20
a. Private sector	(61.7)	(100)	(220)	(8.1)	(17)
b. Public sector	(57.3)	(154)	(425)	(23.1)	(22)
3. Balance of payments, current account	- 20	- 7	- 36	—	—
4. Gross national product, at market prices	556	1,149	2,345	15.6	15.3
5. Gross domestic product, at factor prices	564	1,226	2,499	16.7	15.4
6. Population (millions)	26.8	31.2	36	3	2.9
7. Per capita GNP (Rials)	20,746	36,827	65,139	—	—
8. Per capita GNP (U. S. dollars)	301	535	947	12.2	12.1
9. Per capita GDP (Rials)	21,045	39,295	69,416	—	—
10. Per capita GDP (U. S. dollars)	308	571	1,009	13.3	12.1

On the basis of the production potential of the major economic sectors and the distribution of financial resources according to the priority determined for each, the projected average growth by value added of each sector at 1351 prices is as shown in Table 2.

Table 2. Value added of major economic sectors
(billion Rials, 1351 prices)

	1351	1356	Percentage growth
1. Agriculture	203.0	265.0	5.5
2. Oil	317.0	554.0	11.8
3. Industry and mining	240.5	489.0	15.0
a. Manufacturing and mining	(165.0)	(336.0)	(15.3)
b. Construction	(56.0)	(103.0)	(13.0)
c. Water	(2.7)	(4.7)	(12.0)
d. Electricity	(16.8)	(45.3)	(22.0)
4. Services	465.5	802.0	11.5
G. D. P. at factor costs	1,226.0	2,110.0	11.4

Thus, the domestic product is expected to increase at an average annual rate of 11.4 per cent during the Fifth Plan. If these objectives are achieved the contribution of the various sectors to the gross domestic product at the end of the Fifth Plan, in comparison with their contribution at the end of the Third and Fourth Plans, will be as shown in Table 3.

Table 3. Sectoral contributions to the Gross Domestic Product at constant prices,
at the end of the Third, Fourth and Fifth Plans
(per cent)

	1346	1351	1356
1. Agriculture	21.0	16.6	12.5
2. Oil	24.0	25.4	26.3
3. Industry and mining	20.0	20.0	23.2
4. Services	35.0	38.0	38.0
Gross domestic product	100.0	100.0	100.0

1.2. Investment

To achieve the objectives of the Fifth Plan will require total fixed capital formation of 2,461 billion Rials ($35.7 billion), of which about 1,549 billion Rials will be accounted for by the public sector and 912 billion Rials by the private sector. This entails an increase in the ratio of gross domestic fixed capital formation to the gross national product from 22 per cent in the last year of the Fourth Plan to over 27 per cent in the last year of the Fifth Plan. The ratio of savings to gross national product will increase during the period from 21.5 per cent to about 26 per cent.

At the same time, in view of the financial power that some public enterprises have acquired as a result of past investments, it is projected that of the 1,549 billion Rials fixed public sector capital formation about 316 billion Rials will be financed directly by these enterprises from their own resources and the remaining 1,233 billion Rials will be supplied from development funds. With a further 212 billion Rials envisaged for non-fixed development expenditure (for utilizing the above investments and expanding Government expenditure on social and economic activities of a non-

fixed investment nature), and 115 billion Rials in Government resources transferred to the private sector as loans through the banking system, total Fifth Plan devlopment credits will amount to about 1,560 billion Rials, or 2.7 times the corresponding figure for the Fourth Plan.

Table 4 shows fixed capital formation by sector during the Fifth Plan.

Table 4. Fixed capital formation during the Fifth Plan
(billion Rials)

	Public sector			Private sector			
	From development funds	From income of public enterprises and other sources	Total	From savings and private sources	From development funds	Total	Grand total
	(1)	(2)	(3)=(1+2)	(4)	(5)	(6)=(4+5)	(7)=(3+6)
1. Agriculture	93.0	9.6	102.6	22.0	28.0	50.0	152.6
2. Water	104.0	5.0	109.0	2.0	2.0	4.0	113.0
3. Manufacturing	159.9	15.7	175.6	306.8	20.0	326.8	502.4
4. Mining and quarrying	44.5	0.3	44.8	3.2	2.0	5.2	50.0
5. Oil	130.2	60.2	190.4	139.7	—	139.7	330.1
6. Gas	29.0	55.5	84.5	47.0	—	47.0	131.5
7. Electricity	52.8	66.0	118.8	—	—	—	118.8
8. Communications	176.6	7.8	184.4	3.5	0.5	4.0	188.4
9. Telecommunications	36.3	20.7	57.0	—	—	—	57.0
10. Rural development	36.0	—	36.0	2.5	—	2.5	38.5
11. Urban development	32.5	28.5	61.0	—	—	—	61.0
12. Government buildings	90.8	—	90.8	—	—	—	90.8
13. Housing	79.0	15.0	94.0	305.0	3.8	308.8	402.8
14. Education	125.9	—	125.9	1.5	1.1	2.6	128.5
15. Culture and arts	5.0	—	5.0	0.2	0.2	0.4	5.4
16. Tourism	3.9	—	3.9	9.0	3.2	12.2	16.1
17. Public health, medical services and nutrition	18.7	1.3	20.0	4.2	5.0	9.2	29.2
18. Social security and welfare	5.5	—	5.5	—	—	—	5.5
19. Physical education and scouting	8.7	—	8.7	—	—	—	8.7
20. Statistics and surveys	0.7	—	0.7	—	—	—	0.7
21. Others	—	30.1	30.1	—	—	—	30.1
Total	1,233.0	315.7	1,548.7	846.6	65.8	912.4	2,461.1

1.3. Foreign transactions

Iran's foreign exchange receipts on current account during the Fifth Plan period will amount to about 30.7 billion dollars, more than 2.5 times the comparable figure during the Fourth Plan period.

About 24.6 billion dollars, or 80 per cent of the total, will be accounted for by the oil sector, about 4.1 billion Rials, or 13.5 per cent, by non-oil exports, and about 2.0 billion Rials, or 6.5 per cent, from the export of services.

It is projected that in the Fifth Plan period foreign exchange receipts from the export of natural gas will amount to about 378 million dollars, with exports of petrochemicals providing about 115 million dollars, copper about 55 million dollars, and aluminium about 46 million dollars.

Exports of other industrial goods will grow at an average annual rate of about 30 per cent to reach 1,550 million dollars and exports of traditional goods will grow at an average annual rate of about 12 per cent to reach about 2,000 million dollars.

As against foreign exchange current account earnings of 30.7 billion dollars, current account payments during the Fifth Plan period will amount to 34.1 billion dollars, leaving a net deficit on current account of about 3.4 billion dollars.

With a projection of about 8.8 billion dollars in foreign loans and investment and about 4.7 billion dollars in loan repayments and Iranian investments abroad, the net balance on capital account will be about 4.1 billion dollars, giving a surplus in the overall balance of payments during the Fifth Plan period of about 735 million dollars.

Table 5 summarizes the balance of payments during the Fifth Plan period.

Table 5. The balance of payments during the Fifth Plan
(million dollars)

1. Current receipts		30,731
a. Receipts of oil sector	24,585	
b. Purchase of foreign exchange from non-oil exports	4,143	
c. Foreign exchange earnings from services	2,003	
2. Current payments		34,107
a. Sale of foreign exchange for imports	29,385	
b. Gold (excluding monetary gold)	41	
c. Sale of foreign exchange for services	3,439	
d. Servicing of foreign loans	1,242	
3. Current balance		- 3,376
4. Receipts on capital account		8,772
a. Government loans and foreign credits required	8,322	
b. Other loans and foreign private investment	450	
5. Payments on capital account		4,661
a. Repayment of principal of Government loans and credits	3,907	
b. Government investment abroad	600	
c. Repayment of private sector loans and export of private capital	154	
6. Capital balance		4,111
7. Basic balance of payments (current and capital balance)		735

2. Government financial programme

2.1. Receipts

Total Government receipts during the Fifth Plan period are projected at about 3,344 billion Rials, of which 47.2 per cent will come from oil revenues, 23.5 per cent from direct and indirect taxation, 13 per cent from foreign loans, 11 per cent from recourse to the banking system and

sales of Government bonds and the remaining 5.3 per cent from other revenues, including income from Government monopolies and commercial operations. The various sources of Government receipts are projected as follows:

a) Oil revenues are expected to rise at an average annual rate of about 16.7 per cent and to total 1,577 billion Rials during the Fifth Plan period, almost three times the corresponding figure for the Fourth Plan period.

b) Direct taxes will grow during the Fifth Plan period at an average annual rate of about 21 per cent to reach a total of about 350 billion Rials. This projection is made with due consideration for the effect of the growth of national income on the amount of direct taxes collected.

c) Indirect taxes will increase during the Fifth Plan period at an average annual rate of 15 per cent to reach a total of about 438 billion Rials.

d) Other Government revenues, including revenues from Government monopolies and public enterprises, will increase at an average annual rate of about 10 per cent to reach a total of about 130 billion Rials.

e) The maximum amount utilized from foreign loans and credits for development expenditure in the Fifth Plan period will be 432 billion Rials.

f) The net utilization of banking system credits and sale of Government bonds to the banking sector in the Fifth Plan period will amount to 310 billion Rials.

g) New sales of Government bonds to the non-banking sector during the Fifth Plan period will amount to 54.5 billion Rials.

h) Contra accounts are projected at 50 billion Rials.

2.2. Expenditures

Total Government expenditures during the Fifth Plan period are projected at about 3,344 billion Rials, of which 49.5 per cent represents ordinary expenditures, 46.7 per cent development expenditures and 3.8 per cent repayment of foreign loans and credits. The projections for each of these major items are given below:

1) Ordinary Government expenditures are projected to grow at an average annual rate of 13.7 per cent, to total 1,654.5 billion Rials. Of this amount, about 1,498.4 billion Rials is envsiaged for expenditures on ordinary Government operations[1], 92.3 billion Rials for payment of interest on foreign loans, and the remaining 63.9 billion Rials for payment of interest on domestic loans.

2) Development expenditures in the Fifth Plan will increase at an average annual rate of about 22.6 per cent to a total of 1,560 billion Rials,

1 These expenditures are to maintain the level of social and economic activities, and also include all expenditure on maintaining and expanding activities relating to public affairs and defence.

of which 1,298 billion Rials will be for fixed development expenditures and the remaining 262 billion Rials will be for non-fixed development expenditures.

3) Repayments of principal of foreign loans and credits during the Fifth Plan period are projected at about 129.4 billion Rials.

Government finances and the distribution of development credits during the Fifth Plan period are shown in Tables 6 and 7.

Table 6. Government finances during the Fifth Plan
(billion Rials)

Receipts		Payments		
1. Oil	1,577.4	1. Ordinary Government expenditures		1,654.6
2. Direct taxes	350.5	a. Ordinary expenditures	1,498.4[1]	
3. Indirect taxes	438.1	b. Payment of interest on foreign loans	92.3	
4. Contra-account items	50.0	c. Payment of interest on domestic loans	63.9	
5. Other receipts	130.1	2. Development expenditures		1,560.0
6. Foreign loans	433.4	3. Repayment of principal of foreign loans and credits		129.4
7. Banking credits (net)	310.0			
8. Sale of Government bonds to the non-banking sector	54.5			
Total	3,344.0			3,344.0

1) Includes contra-account items.

Table 7. Distribution of Government credits during the Fifth Plan
(billion Rials)

	Current credits	Development expenditures			Grand total
		Fixed	Non-fixed	Total	
	(1)	(2)	(3)	(4)=(2+3)	(5)=(1+4)
1. Agriculture	58.9	121.0	87.0	208.0	266.9
2. Water	2.7	106.0	2.0	108.0	110.7
3. Manufacturing	10.8	179.9	4.0	183.9	194.5
4. Mining and quarrying	0.9	46.5	—	46.5	47.4
5. Oil	—	130.2	0.5	130.7	130.7
6. Gas	—	29.0	—	29.0	29.0
7. Electricity	1.0	52.8	0.7	53.5	54.5
8. Communications	20.2	176.6	—	176.6	196.8
9. Telecommunications	18.2	36.1	8.5	44.6	62.8
10. Rural development	1.8	36.0	—	36.0	37.8
11. Urban development	0.8	32.5	0.5	33.0	33.8
12. Government buildings	0.4	90.8	—	90.8	91.2
13. Housing	0.4	82.8	—	82.8	83.2
14. Education	175.0	127.0	103.0	230.0	405.0
15. Culture and arts	6.5	5.2	4.2	9.4	15.9
16. Tourism	1.3	7.1	0.6	7.7	9.0
17. Public health, medical services and nutrition	64.5	23.7	28.3	52.0	116.5
18. Social security and welfare	38.5	5.5	10.5	16.0	54.5
19. Physical education and scouting	20.9	8.7	1.3	10.0	30.9
20. Statistics and surveys	10.5	0.7	5.5	6.2	16.7
21. Others	0.6	—	5.3	5.3	5.9
Total	433.7	1,298.1[3]	261.9[2]	1,560.0[4]	1,993.7

1) This item relates to government credits required for the maintenance of the operational status quo.
2) Includes a transfer of 65.8 billion Rials to the private sector (loans).
3) Includes a transfer of 50.0 billion Rials to the private sector (loans).
4) Includes a transfer of 115.8 billion Rials to the private sector (loans).

CHAPTER

3

Manpower and Employment

1. Population changes

As a result of increased urbanization and literacy, and the implementation of development programmes, particularly in the field of family planning, the average natural rate of growth of population will decline from 3.1 per cent at the beginning of the Fifth Plan to 2.6 per cent at the end of the Plan. The average rate of growth of population for the period will therefore be about 2.9 per cent, and the population will increase from 31.2 million in 1351 to about 36 million in 1356. Table 1 shows the projected distribution of population by sex during the Fifth Plan period.

Table 1. Population distribution between the sexes during the Fifth Plan period
(thousands)

Year	Male	Female	Total
1351	15,959	15,210	31,169
1352	16,451	15,684	32,135
1353	16,937	16,162	33,099
1354	17,437	16,655	34,092
1355	17,917	17,129	35,046
1356	18,383	17,574	35,957

No significant changes in the age structure of the population will occur during the Fifth Plan, and the ratio of the under-15 age group to total population will remain at about 45 per cent, as compared with a corresponding ratio of less than one-third in industrialized countries.

Table 2 shows the distribution of population by age-group during the Fifth Plan.

Table 2. Distribution of population of Iran by age-group during the Fifth Plan
(thousands)

Age-group	1351		1356	
	Number	per cent	Number	per cent
Under 15	14,184	45.5	16,105	44.8
15-64	16,184	51.9	18,896	52.5
65 and over	801	2.6	956	2.7
Total	31,169	100.0	35,957	100.0

2. Urban and rural population

Iran's rapid economic growth in recent years, particularly in the industrial sector, has caused a steady increase in the size of the urban

population. In addition, the rapid increase in the rural population, resulting from improved health conditions and living standards, has turned a number of rural places into small urban places. As a result, the rate of growth of the urban population has been about five per cent and that of the rural population 1.2 per cent. The urban population is expected to increase from 13.2 million in 1351 to about 17 million in 1356, and the ratio of urban to total population from 42.5 per cent to 47.2 per cent.

Table 3 shows the distribution of total population by urban and rural areas during the Fifth Plan.

Table 3. Distribution of population by urban and rural areas during the Fifth Plan (thousands)

Year	Urban population			Rural population		
	Male	Female	Total	Male	Female	Total
1351	6,891	6,356	13,247	9,068	8,854	17,922
1352	7,263	6,702	13,965	9,183	8,987	18,170
1353	7,644	7,052	14,696	9,292	9,111	18,403
1354	8,040	7,417	15,457	9,396	9,239	18,635
1355	8,434	7,782	16,216	9,480	9,350	18,830
1356	8,831	8,141	16,972	9,549	9,436	18,985

3. Economically active population

The activity rate[1] will decline from 29.5 per cent in 1351 to 29.4 per cent in 1356 and the ratio of economically active population to the population aged 10 or over will decline from 44.1 per cent to 43.4 per cent. During the period under review, however, the economically active population will increase from 9.2 million in 1351 to 10.6 million in 1356. Table 4 shows the economically active population during the Fifth Plan.

Table 4. Economically active population during the Fifth Plan (thousands)

	1351	1356	Change
Population aged 10 and over	20,876	24,412	+3,536
Economically active population	9,197	10,600	+1,403
Activity rate (per cent)	44.1	43.4	—0.7

The activity rate for males will decline from 48.8 per cent in 1351 to 47.7 per cent in 1356, as a result of the expansion of primary, secondary and higher education, which will absorb an appreciable number of persons in the economically active age groups, while the activity rate for females aged 10 and over will increase from 13.8 per cent to 15.2 per cent in the period under review, chiefly because of increased literacy and urbanization, and the higher average age of marriage among the urban population. Table 5 shows changes in the economically active population during the Fifth Plan by sex.

1 The ratio of the economically active population to total population.

Table 5. Changes in the economically active population during the Fifth Plan by sex
(thousands)

	Male			Female		
	1351	1356	Change	1351	1356	Change
Population aged 10 and over	10,696	12,450	+1,754	10,180	11,962	+1,782
Active population	7,789	8,783	+994	1,408	1,817	+409
Activity rate (per cent)	72.8	70.5	−2 3	13.8	15.2	+1.4

4. Basic objectives and guidelines

The basic objectives and guidelines for manpower in the Fifth Plan are as follows:

a) to create the maximum number of productive employment opportunities for all persons seeking work;

b) to convert non-productive and under-productive jobs gradually into productive, full-time jobs;

c) to create the necessary facilities to achieve the desired level of manpower mobility;

d) to ensure conformity between workers' wages and incomes and increases in national income.

To achieve these objectives, investment policies in all sectors (manufacturing, agricultural, road-construction and so on) will be drawn up in line with main employment objectives, and use will be made of all the major policies and means at the Government's disposal, including credit, financial, fiscal, commercial and other policies.

5. Specific employment opportunities

5.1. The agricultural sector, which at present accounts for the largest number of employed persons, 3.6 million, or about 40 per cent, will not play a major role in the creation of new employment in the Fifth Plan. However, the number of unproductive jobs in the sector will be reduced by about 300,000 and the same number of productive jobs will be created.

5.2. About 760,000 new jobs will be created in the industry and mining sector.

5.3. The construction sector will provide about 320,000 new jobs.

5.4. About 400,000 new job opportunities will be established in the services sector, and in addition about 100,000 persons at present engaged in unproductive or part-time occupations will be attracted to productive, full-time jobs. Thus, some 1.8 million new productive jobs will be created in the Fifth Plan, of which 1.4 million will be filled by new entrants to the labour market and the remaining 400,000 jobs will be filled by persons who are at present under-employed or engaged in unproductive employment.

Table 6 shows the distribution of employed persons in the Fifth Plan by major sectors of economic activity.

Table 6. Distribution of employed persons in the Fifth Plan by major sectors of economic activity
(thousand persons)

Major economic sectors	Jobs in 1351		Jobs in 1356		New jobs during the Fifth Plan period
	Number	Percentage	Number	Percentage	
Agriculture	3,659	40.1	3,600	34.1	— 59
Oil	50	0.5	50	0.5	0
Industry and mining	2,680	29.4	3,770	35.7	+1,090
(Manufacturing and mining)	(1,890)	(20.7)	(2,650)	(25.1)	(+760)
(Construction)	(710)	(7.8)	(1,030)	(9.7)	(+320)
(Water, electricity and gas)	(80)	(0.9)	(90)	(0.9)	(+10)
Services	2,740	30.0	3,140	29.7	+400
Total	9,129	100.0	10,560	100.0	+1,431

6. Supply and demand of manpower by occupation

The mobilization of human resources so as to make the maximum use of the country's manpower is one of the most essential prerequisites for the successful implementation of the social and economic objectives of the Fifth Plan. The educational system has onerous and diversified responsibilities at various levels of skill in all sectors of the economy, including perfecting and adding to the theoretical and scientific knowledge of employed persons and supplying the manpower required for development programmes at all skill-levels and in the main sectors of the economy. In the light of the social and economic objectives of the Fifth Plan, changes will therefore take place in the country's employment structure. In view of the urgent need for professional and technical workers to implement national development programmes, more than 20 per cent of new employment will be in this category, and the ratio of professional and technical workers to the total work-force will rise to about six per cent. This category will include more than 23,000 engineers of various kinds, about 16,000 medical and related workers, about 190,000 educational workers, and 60,000 technicians of various kinds. It is envisaged that the Iranian educational system and Iranian graduates returning from abroad will easily be able to meet these specialized requirements. In addition, there will be a need for over 200,000 skilled industrial workers and over 100,000 semi-skilled workers. In view of the forecasts for the expansion and mobilization of the vocational training centres run by the Ministry of Labour and Social Affairs, these targets seem feasible. Table 7 shows changes in the employment structure of the work-force during the Fifth Plan.

Table 7. Changes in the employment structure of the work-force in the Fifth Plan
(thousand persons)

Occupational groups	1351	1356	Change
Professional, technical and related workers	423	706	+283
Administrative and managerial workers	22	46	+24
Clerical and related workers	240	325	+85
Sales workers	718	883	+165
Agricultural, animal husbandry, forestry workers and fishermen	3,620	3,570	—50
Miners and quarrymen	18	54	+36
Transport workers	1,211	1,252	+41
Production and related workers	1,819	2,581	+762
Service workers	1,058	1,143	+85
Total	9,129	10,560	+1,431

7. Employment and manpower policies

7.1. The labour market

The regulation of the labour market through labour exchanges will be one of the most important employment policy tools. In order to make an accurate survey of the number of persons seeking work, and the nature of jobs required, to enable job-seekers to be rapidly absorbed in the labour market, to determine the nature of the market, to achieve a balance between supply and demand and to provide comprehensive data in the shortest possible time, labour exchanges will be established in all provincial and governorate-general centres, and also in industrial regions and cities. In order to prepare job-seekers for employment, the Ministry of Labour and Social Affairs will establish vocational training centres providing short-term courses adjacent to such labour exchanges with due regard for the requirements of the local labour market.

7.2. Workers' protection

In order to protect workers from unemployment arising from structural changes, technological progress and other factors, the necessary studies will be carried out regarding an unemployment insurance fund to which the Government, employers and employees will contribute, and such a fund will be established. A unit affiliated to the placement and employment units of the Ministry of Labour and Social Affairs will also be established to implement and expand unemployment insurance. The unit will be responsible for all stages of the programme, including studies and the preparation of executive regulations.

7.3. Job classification

In order to identify existing employment and provide detailed guidance to job-seekers, and persons graduating from secondary schools and institutes of higher education, a national directory of jobs will be prepared.

7.4. Jobs for women

In order to encourage greater participation in economic activities by women, incentives will be envisaged for them to enter the labour market, such as by giving them priority in certain occupations, like teaching.

7.5. Labour statistics

In order to identify employment opportunities, use will be made of all statistical methods to obtain the data required, and particular attention will be paid to manpower surveys. The Ministry of Labour and Social Affairs will expand the scope of its surveys of manpower, wages and working hours.

8. Wages policies

In the Fifth Plan wages will be viewed as an important factor of social policy, and efforts will be made both to increase the contribution of wages to national income and to ensure that the level of wages is set at an acceptable level in the light of minimum standards of living and welfare. This policy will result in low income levels being raised, which in itself

will contribute towards a more equitable distribution of income. Accurate statistics and a knowledge of social conditions in each region, and consideration of productivity, will be used to review minimum wages every year instead of every two years, as in the past.

Workers' participation in the profits of productive and industrial enterprises, and the programme of giving workers and staff priority in the purchase of factory shares, in order to increase their income and productivity, will be expanded.

In order to prepare a national wages and incomes policy, and to ensure that such a policy is regularly reviewed, a board, to be known as the «Wages and Incomes Board», will be established. The Minister of Economy, the Minister of Labour and Social Affairs, the Minister of State, Secretary-General of the State Administrative and Employment Organization, the Minister of State, Head of the Plan and Budget Organization, and the Governor of the Central Bank will form the membership of the Board. The guidelines and policies formulated by the Board will be implemented after approval by the Council of Ministers.

9. Technical and vocational training

The Ministry of Labour and Social Affairs will be responsible for and will supervise the vocational training of adult workers. In view of their importance the Ministry will expand the number of its vocational training centres during the Fifth Plan. In this connection the full implementation of the in-service training law is of the utmost importance in training the workers required by the economy. Training methods will undergo certain changes and training courses will be arranged so that opportunities for training will be available to workers at all levels and workers will be able to acquire skills and specializations in accordance with their inclinations and talents. Training courses will, however, be arranged in such a way that if a participant wishes to give up his studies he will still have acquired sufficient skills to be absorbed by the labour market.

In backward regions manpower is the most important social and economic factor, and to enable it to be utilized to the full, particular attention will be paid to establishing and expanding training centres and in-service training for literacy and technical skills for the manpower resident in these regions.

CHAPTER 4

Regional Development

Introduction

Iran's rapid economic development in the past decade has resulted in the economy entering new and more advanced phases, while at the same time its various sectors have become increasingly diversified and interdependent. This has led increasingly to the need for more balanced regional development and greater coordination between development activities.

An examination of the distribution of the gross national product and development investment by region shows that in some cases per capita gross national product, investment and development expenditures are not proportionate to population, development potential and regional needs.

This disparity both intensifies the problem of migration to the more developed regions, especially the central province, thus aggravating urban problems, and results in the natural and economic potential of the less-developed regions being inadequately exploited.

It was with these problems in mind that towards the end of the Fourth Plan, the Celebration of the 2,500th Anniversary of the Founding of the Persian Empire was taken as an appropriate occasion to increase social justice and facilitate greater public participation in public affairs by preparing and implementing a series of what were termed «comprehensive development projects.»

These projects, which consisted of comprehensive development activities in the fields of education, agriculture, industry, communications, urban development, rural development, tribal development, health and environmental sanitation, were prepared for every province and governorate-general, and were implemented under the supervision of the provincial governors and governors-general.

In the first year in which these projects were implemented there proved to be insufficient experience in implementing development projects at the province or governorate-general level and at the same time the regulations governing these projects were too inflexible to permit project credits to be readily absorbed. Despite these factors, of the 4.5 billion Rials appropriated to these projects, more than 90 per cent was utilized. The experience gained in implementing comprehensive development projects not only had striking effects in the actual construction and reconstruction carried out but also produced the following important social and economic results:

- the delegation of authority to local officials was a positive step towards decentralization;

- local authorities became imbued with a sense of dynamism and enthusiasm, which helped to speed up development projects;

- the implementation of these projects resulted in the creation of new executive capabilities at the provincial and governorate-general level;

- conditions conducive to the proper discharge of their duties on the part of municipal, urban district and provincial councils were created, as simultaneously with the establishment of these councils the public and its representatives became involved in a serious and practical manner with determining the destiny of their region;

- in addition to stimulating the economy of remote regions, the implementation of the projects also met the immediate needs of the regions;

- more logical criteria were used to determine the distribution of development credits among the various regions, such as population and social and economic needs.

1. Basic objectives

The basic objectives for regional development in the Fifth Plan are as follows:

a) to lay greater emphasis on the provision of social services and the creation of employment in regions which because of a shortage of resources or other natural factors have achieved insufficient growth. To this end the objectives for social and economic growth in each region in the Fifth Plan period have been determined so as to prevent any increase in existing disparities between per capita incomes in various provinces and to some extent ensure that such disparities are adjusted by the end of the period;

b) to coordinate regional investment and development activities both at the planning and implementation stage so as to utilize more fully existing capacities and investments which will be made in the future;

c) to ensure greater direct participation in regional development and economic affairs on the part of local authorities and the public;

d) to reduce the rate of migration and control internal movements of population so as gradually to turn areas suitable for development which are losing population into areas which are gaining population from migration.

2. General guidelines and policies

In order to achieve these four basic objectives the following general guidelines and policies will be implemented:

Investment in specific regional programmes with strong social characteristics will be made on the basis of such criteria as population, the productive importance of the region, per capita income and the region's potential for mobilizing financial and investment resources. Clearly, the distribution of credits for programmes and projects of national importance will be implemented on the basis of different criteria, such as

national objectives and the productive importance of each region. In the light of the relative merits of each region the maximum use will be made of the natural advantages and resources existing in the region. In implementing these policies, the Coastal Province, Kermanshah, Kordestan and Ilam, which lost population in the Fourth Plan period, will undergo population increases by the end of the Fifth Plan, particularly with regard to absorbing skilled manpower. (Table 1)

In the framework of a general survey of the resources of each region, agricultural, industrial, tourism poles will be identified, and within these the quality and state of water and land resources will be studied and priorities allocated for their use for agriculture, industry, mining, residence or urban development at the national level. At the same time efforts will be made to include in plans to develop towns and future centres of population considerations of regional resources, potentials and requirements.

To encourage private investment in backward regions, utilize the abundant manpower available there and prevent migration from them to Tehran and other large cities, financial and other incentive schemes will be operated.

So that funds spent on regional development have a direct and tangible effect on the creation of employment and improving living standards among the local population, measures will be taken in the Fifth Plan to involve local manpower in the implementation of development works as much as possible.

Table 1. Population characteristics of planning regions
(thousand persons)

Region	Population		Rate of population growth (per cent)	Economically active population		Activity rate[1] (per cent)		Number of emigrants	Regional migration rate[2] (per cent)
	1351	1356	1351-56	1351	1356	1351	1356	1351-56	1351-56
Total country	31,169	35,975	2.9	9,197	10,600	44.1	43.4	±567	±1.7
1.	3,721	4,185	2.4	1,201	1,335	49.4	48.9	—94	—2.4
2.	4,426	4,971	2.4	1,235	1,420	43.3	43.1	—130	—2.8
3.	5,988	7,343	4.2	1,712	2,036	41.5	40.0	+421	+6.3
4.	2,258	2,540	2.4	638	743	40.5	43.2	—89	—3.7
5.	2,604	2,899	2.2	767	872	44.6	44.3	—93	—3.4
6.	2,804	3,200	2.7	918	1,033	48.9	47.7	—35	—1.2
7.	1,944	2,228	2.8	568	665	43.4	43.4	—26	—1.2
8.	1,589	1,803	2.6	472	537	44.4	43.6	—18	—1.1
9.	3,059	3,490	2.5	931	1,027	44.9	43.5	—82	—2.5
10.	2,047	2,435	2.8	562	679	40.4	40.9	+59	+2.8
11.	729	911	4.6	193	253	39.8	40.7	+87	+10.6

1) The ratio of active population to population aged 10 and over.
2) The ratio of net migration between 1351 and 1356 to the mean population in the period 1351-56. The plus sign indicates a net gain in population from migration, the minus sign a net loss.

3. Specific regional investment and programmes

Specific regional investment, the implementation of which will result in a more equitable regional growth, will be allocated from the credits for individual social and economic sector programmes and will be expended under the title of regional development in the following regions on the basis of Table 2:

		Billion Rials
1.	Northern region (Gilan and Mazandaran)	20.2
2.	Azarbaijan region (East Azarbaijan and West Azarbaijan)	27.0
3.	Central region (Central province, Semnan and Zanjan)	21.1
4.	Khuzestan region (Khuzestan, Kohkiluyeh and Boyer Ahmad)	9.3
5.	Hamadan and Lorestan region (Hamadan and Lorestan)	15.3
6.	Esfahan region (Esfahan, Yazd, Chahar Mahal Bakhtiari)	13.2
7.	Fars region (Fars)	10.6
8.	Kerman and Zahedan region (Kerman, Sistan and Baluchestan)	12.6
9.	Khorasan region (Khorasan)	17.6
10.	Western region (Kermanshah, Kordestan and Ilam)	17.0
11.	Coastal region (Bandar Abbas, Bushehr)	6.1
		170.0

The distribution of credits within each region among the various programmes, such as agriculture, water, industry, electricity, communications and rural development, will be within the framework of the overall principles and criteria of the annual plans.

Within the framework of the appropriations for each region a master plan, entitled the «provincial development programme» and consisting of various productive and social activities coordinated to the conditions prevailing in the province concerned, will be prepared for each province based on the quantitative and qualitative expansion of the comprehensive regional development projects implemented in the Fourth Plan.

Regional credits will be allocated to the various activities according to the annual programmes, which in turn will be based on overall Plan programmes.

In areas where there are nomadic graziers multi-disciplinary measures will be taken to raise their income levels and welfare within the framework of the comprehensive regional projects.

The final objective of this programme is gradually to transform the nomadic pattern of life of such graziers into one where agriculture linked to animal husbandry predominates, and conditions conducive to their settling are obtained. In implementing this programme, a number of extension workers will be given intensive training and sent to areas where nomadic grazing predominates.

It is envisaged that in the Fifth Plan some 50 development projects relating to nomadic graziers will be implemented in the Lorestan, Kordestan, Sistan and Baluchistan, Fars, Azarbaijan, Bakhtiari, Kohkiluyeh and Boyer Ahmad regions, each of which will cover about 2,000 families.

Provincial planning and technical staff at the provincial level will be strengthened in the Fifth Plan.

Table 2. Regional development credit sources in the Fifth Plan by chapter

Chapter title	Credit for specific regional projects	Credit for national projects	Total credit
1. Agriculture and animal husbandry[1]	5.0	203.0	208.0
2. Water	5.0	103.0	108.0
3. Manufacturing	3.0	180.9	183.9
4. Mining and quarrying	—	46.5	46.5
5. Oil	—	130.7	130.7
6. Gas	—	29.0	29.0
7. Electricity	6.5	47.0	53.5
8. Communications	9.0	167.6	176.6
9. Telecommunications	—	44.6	44.6
10. Rural development	36.0	—	36.0
11. Urban development	16.7	16.3	33.0
12. Government buildings	10.0	80.8	90.8
13. Housing	24.5	58.3	82.8
14. Education	40.3	189.7	230.0
15. Culture and arts	—	9.4	9.4
16. Tourism	—	7.7	7.7
17. Public health, medical services and nutrition	5.9	46.1	52.0
18. Social security and welfare	5.0	11.0	16.0
19. Physical education and scouting	3.1	6.9	10.0
20. Statistics and surveys	—	6.2	6.2
21. Others	—	5.3	5.3
Total	170.0	1,390.0	1,560.0

1) The sum of four billion Rials of total credits for this chapter have been allocated to tribal development and will be expended within the framework of the comprehensive development projects.

CHAPTER

5

The Environment

1. Basic objectives

The Fifth Plan is the first of Iran's national development plans to include a programme for the preservation of the environment. At its present stage of economic development Iran is in a good position to be able to benefit from the experiences and avoid the mistakes of other countries before complex environmental problems occur. The programme of environmental preservation is therefore based on the principle of preventive rather than purely remedial action.

The basic objective of the programme is to preserve, improve and gradually rehabilitate the environment. Another objective is to encourage the public to make the proper use of nature.

2. General guidelines and policies

2.1. General guidelines

In order to attain the above objectives the following guidelines will be observed in the Fifth Plan.

a) In selecting methods of controlling pollution priority will be given to methods which do not appreciably affect production or adversely affect low-income groups. In the short term it may not therefore be possible to eliminate completely all sources of pollution.

b) In combatting pollution priority will be given to preventive measures which involve relatively lower costs.

c) In practice, all manpower resources and the experience of existing agencies will be used to combat pollution.

d) In combatting pollution, efforts will be made to make the greatest possible use of the results of theoretical and practical studies and research which have been or may be carried out in other countries, and original research will only be carried out in Iran with regard to coordinating these results with the natural and geographic peculiarities of Iran.

2.2. Executive policies

a) Since Iranians particularly enjoy excursions to the countryside and this is an inexpensive form of recreation, efforts will be made to inform the public of how to make the best use of parks and other natural resources, and equal opportunities to enjoy these facilities will be given to every social group.

b) Pricing and tax policies will in future be so determined that those causing pollution will ultimately bear the cost of anti-pollution mea-

sures. This policy will in itself to some extent act as a deterrent to pollution.

c) Particular attention will be paid to granting financial and technical assistance to the private sector for the prevention of industrial pollution.

d) In order to make the most economic use of land resources a specific policy will be prepared for determining whether land should be used for agriculture, industry and housing, so that land suitable for cultivation and housing should be preserved and industrial units established on other land.

e) Since the question of environmental preservation is so recent, one of the most essential tasks now is to enact the necessary legislation and executive regulations. Together with the law nationalizing water resources, the proposed legislation will form the basis of the programme of environmental preservation.

3. Specific programmes

The specific programmes for environmental preservation are as follows:

3.1. Preservation programme

This consists of the preservation of eco-systems, the preservation of environmental beauty, the preservation of marine and river life, the preservation of wild-life, a campaign against excessive noise, and pollution from pesticides, refuse and sewerage, marine, coastal and inland water pollution, and atmospheric pollution.

The implementation of each programme involves the execution of the following four specific functions:

- identification of the problem and establishment of the present status;
- presentation of criteria and solutions for control;
- implementation of action, examination and control of sources of pollution;
- evaluation and revision of the programme.

3.2. Executive organization

In view of the varied nature of the responsibilities relating to environmental preservation the successful implementation of the above programmes requires supervision and coordination.

In the Fifth Plan responsibility for coordinating the implementation of the programme will be assigned to the High Council for the Preservation of the Environment, and the various functions will be distributed among existing Government organizations in accordance with their resources and experience. Details of this are given in the Fifth Plan report.

4. Investment and development credits

Credits for the environmental preservation programme will amount to 32.2 billion Rials, or 2.3 per cent of total Fifth Plan development credits. These credits will be allocated from the Agriculture, Water, Urban Development and Health chapters.

CHAPTER

6

Energy

Introduction

It is envisaged that the consumption of energy in Iran during the Fifth Plan period will increase at an average annual rate of 14 per cent from the equivalent of 18.1 million cubic metres of kerosine in 1351 to the equivalent of 35 million cubic metres of kerosine in 1356. In this period the consumption of commercial energy (oil, natural gas, coal and hydro-electric power) will increase at an average annual rate of 14.6 per cent, while that of non-commercial energy (firewood, charcoal and animal dung) will decrease by eight per cent. Per capita consumtion of energy will increase at an average annual rate of 10.2 per cent from the equivalent of 581 litres of kerosene in 1351 to the equivalent of 970 litres of kerosine (8.4 million kilocalories) in 1356.

Commercial energy, which accounted for 96.7 per cent of total energy consumed in 1351, will account for 98.8 per cent of the total in 1356. Tables 1 to 4 show the consumption of various types of energy in Iran.

Table 1. Consumption of primary energy in Iran for selected years

	1341	1346	1351	1356
Oil (thousand cubic metres)	4,321	7,395	12,584	21,912
Natural gas (million cubic metres)	1,050	1,366	3,000	8,800
Coal (thousand tons)	227	270	270	783
Hydro-electric power (million kilowatt-hours)[1]	79	642	3,400	7,250
Non-commercial energy (thousand tons of wood equivalent)	3,850	2,430	1,500	1,300

1) Part of the energy from oil, natural gas and coal is converted into electric power and consumed as a secondary form of energy. The quantities of electric power thus generated in the years 1341, 1346, 1351 and 1356 are respectively 1,850, 3,656, 7,460 and 21,100 million kilowatt-hours.

Table 2. Ratio of consumption of primary forms of energy in Iran (per cent)

	1341	1346	1351	1356
Oil	60.5	72.1	71.0	64.0
Natural gas	15.6	14.1	18.0	27.5
Coal	2.2	1.9	1.1	1.3
Hydro-electric power	0.5	2.6	6.6	6.0
Total commercial energy	78.8	90.7	96.7	98.8
Non-commercial energy	21.2	9.3	3.3	1.2
Total	100.0	100.0	100.0	100.0

Table 3. Average annual rate of growth of consumption of primary forms of energy in Iran[1]
(per cent)

	1341-46	1346-51	1351-56
Oil	11.4	11.2	11.8
Natural gas	15.2	16.9	24.0
Coal	6.9	—	17.5
Hydro-electric power	23.0	34.0	12.2
Total commercial energy	12.7	12.8	14.6
Non-commercial energy	—3.6	—9.0	—8.0
Total (mean)	10.9	11.4	14.0

[1] Rates of growth of consumption are calculated on the basis of calorific value.

Table 4. Consumption of primary forms of energy in Iran
(thousand cubic metres of kerosine equivalent)

	1341	1346	1351	1356
Oil	4,436	7,800	12,855	22,400
Natural gas	1,150	1,496	3,269	9,578
Coal	186	201	201	451
Hydro-electric power	35	279	1,188	2,111
Total commercial energy	5,787	9,576	17,513	34,540
Non-commercial energy	1,557	984	611	400
Total	7,344	10,560	18,124	34,940
(thousand billion kilocalories)				
Oil	38.4	65.8	111.3	194.0
Natural gas	9.9	12.9	28.2	82.9
Coal	1.4	1.7	1.7	3.9
Hydro-electric power	0.3	2.4	10.3	18.3
Total commercial energy	50.0	82.8	151.5	299.1
Non-commercial energy	13.5	8.5	5.3	3.5
Total	63.5	91.3	156.8	302.6

1. Supply and demand of energy in the Fifth Plan

During the Fifth Plan period basic and major changes will occur in the supply and demand of energy, as outlined below.

a) Natural gas will become one of the principal sources of energy in the Iranian economy, its share in total energy consumption rising from 18 per cent in 1351 to 27.5 per cent in 1356, and its consumption as fuel tripling. Natural gas will increasingly replace oil products, some of the factors for this change being the following:

increased production of crude oil is accompanied by increased production of natural gas. If the gas produced is not consumed, it has to be flared, thus wasting a precious natural resource;

- the production and consumption of some kinds of oil products in Iran are not balanced. Thus, the excessive consumption of middle distillates (kersosine, gas oil, jet fuel, etc.) increases the cost of producing them,

while natural gas can easily help to balance the ratio of middle distillate consumption;

the increased consumption of natural gas will have a considerable effect on preventing further atmospheric pollution resulting from the consumption of oil products;

increased consumption of natural gas will enable the price of oil products to be reviewed and coordinated with production costs.

b) The role of coal in the Iranian economy, which has been declining in the past decade because consumption has remained at a constant level, will increase slightly as a result of using coal for energy purposes and using anthracite for power generation.

c) The generation of hydro-electric power will double during the Fifth Plan period, but this will not affect its ratio to total energy production.

d) The consumption of non-commercial forms of energy which once accounted for an appreciable part of the country's energy consumption will decline in 1356 to 1.2 per cent of total energy consumed. It is envisaged that by the end of the Sixth Plan, this form of energy will play no role whatsoever in the Iranian energy situation.

e) The possibilities of using nuclear energy for power generation and water desalination purposes will be seriously explored during the Fifth Plan.

2. Executive guidelines and policies

Executive guidelines and policies for Iran's energy industry in the Fifth Plan period are as follows:

a) In view of the vital importance of atmospheric pollution, to balance the pattern of consumption of oil products, construct simpler refineries, reduce the cost of constructing plants for the production of energy, and to conserve the country's resources, continuous efforts will be made to utilize natural gas for industrial, domestic and commercial purposes.

b) In order to coordinate the supply and demand of the various forms of energy and adopt a proper energy policy, the following measures will be taken:

- the supply and demand of the various forms of energy will be regularly reviewed;

- effective measures to coordinate the supply and demand of the various forms of energy will be taken.

During the Fourth Plan, the establishment of a National Energy Council was proposed in order to coordinate the supply and demand of energy and the activities of the energy industry organizations. The Council was in fact established early in the Fourth Plan period, but did not remain active.

In view of the studies carried out and the unsuccessful experience

of establishing an energy council, an effective centralized system for co-ordinating the implementation of an energy master plan and the operations of the energy industry organizations will be established.

c) In view of the investments that have already been made in Iran's energy industries (oil, gas and electricity) the investment resources needed for the further expansion of facilities must be supplied by the energy industry organizations themselves.

d) In view of the social importance of supplying natural gas to villages on the route of the Iran Gas Trunkline, and electricity to rural centres, and expanding the distribution of kerosene in rural areas, and since the establishment of generating facilities in rural areas may not be economic for some time to come, investment in such fields during the Fifth Plan period must be financed from development credits.

CHAPTER 7

Agriculture and Animal Husbandry

1. Basic objectives

The basic objectives of the agricultural sector in the Fifth Plan, in coordination with those of the other sectors of the economy, are as follows:

a) to exploit natural resources within the framework of the principles of the Revolution of the Shah and the Nation so that while making the optimum utilization of such resources, they are rehabilitated and preserved for future generations;

b) to increase levels of agricultural production and farmers' per capita income in line with an increase in their per capita production, by the use of advanced agricultural technology in the various operating units, especially cooperatives, farm corporations, agro-industry companies, livestock complexes, and agro-businesses, in such a way that the value added of agriculture will increase during the Fifth Plan period at an average annual rate of 5.5 per cent;

c) to reduce under-employment in rural areas by laying greater emphasis on intensive agriculture using advanced technology, expanding agricultural processing industries at the village level, developing and propagating handicraft and non-agricultural activities, integrating agriculture and stockbreeding, developing barren land and pasture-land, establishing livestock complexes and rural reconstruction work.

2. General guidelines and policies

2.1. Land utilization

Iran's system of land utilization is based on the first principle of the Revolution of the Shah and the Nation and the completion of the constructive stages of land reform.

With the completion of the three stages of land reform and clarification of the legal status of persons engaged in agricultural activities, arrangements will be made during the Fifth Plan period for the membership of all farmers in the cooperative system or farm corporations. A larger volume of investment in private mechanized farms and orchards will be encouraged, as will efforts to improve and expand their activities. Additional facilities will be made available to the proprietors of such enterprises who are interested in forming cooperatives or agro-industrial companies.

Agro-industrial units, both private and public, will be established to farm 300,000 hectares, using advanced agricultural techniques and with adequate investment so as to raise output and improve the marketing of produce, and such units shall receive Government protection.

2.2. Investment policy

Government investment in the agricultural sector will primarily be directed to infrastructural operations, the provision of the various services required, such as agricultural extension, agricultural engineering, soil studies, pest control and veterinary services, increasing the efficiency of the agricultural work-force, and help in establishing a marketing system for agricultural and livestock products, and if necessary direct investment.

Government investment in commercial agricultural enterprises will be in agro-industrial units and livestock complexes, either publicly owned or as joint ventures with the private sector, and also to establish model operating units so as to provide guidance to the private sector, or in specific regions where such measures are socially or economically essential. Public sector investment in such commercial activities will be made with a view to the ultimate transfer of Government-owned shares to co-operatives, private companies or the personnel of the units established.

In order to encourage and increase fixed private sector investment in agricultural activities and related industries, medium- and long-term supervised loans will be made available to applicants up to about 60 per cent of the investment required. In granting such loans the feasibility of the projects will be considered more important than the collateral security.

In the Fifth Plan period great efforts will be made to consolidate farmers' interest-bearing debts and gradually to liquidate loans with arduous conditions. At the same time measures will be taken to prevent farmers from incurring such debts again once these are paid off.

2.3. Marketing policy

In order to help raise the producer's share of the price paid by the consumer for agricultural products, reduce the role of middlemen and improve other factors affecting marketing, in addition to the allocation of sufficient credits for loans to prevent forward sales, technical and financial assistance is envisaged for the creation of the required facilities, such as grading, packing, warehousing, transport, processing industries and well-organized wholesale markets. Great efforts will be made to ensure that these facilities are established and run by cooperatives or cooperative federations. As consumers' cooperatives expand in urban regions and relations are established between producers' and consumers' cooperatives, a sound distribution system will develop.

To allay the anxieties of producers with regard to severe fluctuations in price and provide them with economic security, minimum prices for major agricultural products will be set and guaranteed. The establishment of such a guaranteed price system will be made on the basis of the experience of other advanced nations and detailed studies will come into force gradually. Minimum prices will be set for various grades of each product in line with normal production costs in the region, and with due consideration for the world market prices and the reciprocal effects of other price levels, so that the prices of Iranian agricultural products will be competitively priced internationally.

The policy of minimum price guarantees will be implemented so as to encourage increased production and a higher return on the production factors.

2.4. Crop insurance policy

Regulations will be drafted in the Fifth Plan for the insurance, in stages, of major crops against natural and general hazards. Cover will also be provided to pedigree herds, agricultural and marketing facilities and warehouse stocks.

2.5. Income and employment policy

One of the basic objectives of the Fifth Plan is to ensure a more balanced distribution of personal incomes between the rural and urban populations. The basic objectives for the agricultural sector include increasing the income level of farmers by higher production, lower unit production costs, and a higher level of productive employment accompanied by maximum productivity. Among the measures to be taken to help achieve these objectives are the integration of stockbreeding and agriculture, double cropping, the expansion of handicrafts, and the establishment of industries in rural areas, especially those related to agricultural products.

2.6. Research Policy

Research programmes will be carried out at well-equipped research centres as part of a comprehensive project to identify agricultural problems. Among the subjects to be researched are the social and economic problems of rural areas, the marketing of produce, the propagation of high-quality saplings and seeds suitable for the specific conditions of different regions, the selection of the most suitable and productive strains of pedigree livestock, the identification of plant and livestock pests and diseases, soil fertility, including forest and pasture-land soil, and the identification of optimum methods of exploiting aquatic life. The executive agency concerned will carry out basic research through the universities, wherever possible by entering into contracts with them, and will utilize the services of their existing specialists for technical and scientific research.

3. Specific programmes

3.1. Preservation, rehabilitation and exploitation of natural resources

The exploitation of forests and pastures will continue on the basis of the laws nationalizing these resources. During the Fifth Plan exceptions to such nationalized natural resources will be established. In order to protect forests from damage, the forest protection personnel will be strengthened, and 1,500 kilometres of access roads and 2,000 kilometres of operational roads will be built in forest areas. The area of forest-land to be exploited will be increased to 660,000 hectares, and the annual volume of timber produced will increase from the present level of 900,000 cubic metres to 2.7 million cubic metres at the end of the Fifth Plan.

Semi-detailed surveys of all pasture-land in Iran will be completed in the Fifth Plan, on the basis of which pasture development projects in respect of 1.5 million hectares will be prepared and implemented. An area of four million hectares of very poor pasture-land will be declared a restricted area and no grazing permitted there until plant coverage amounts to at least 30 per cent.

In regions where the rainfall and other factors are not suitable for non-irrigated farming, farmers will be encouraged and shown how to convert arable land into pasture-land so as to prevent soil erosion.

Special attention will be paid in the Fifth Plan to protecting natural resources from destructive and polluting elements and reclamation work. During the Plan period a survey will be made of three million hectares of land where sand-drifts originate, and studies carried out on the most effective methods of stabilizing such land. Stabilization operations, including providing plant cover and the use of oil mulches, will be carried out over an area of about one million hectares.

A survey will be made of about 15 million hectares of watershed land and protective measures carried out on 1.5 million hectares of such land, with priority given to land that is prone to soil erosion.

The fish reserves of the Caspian Sea will be increased by the creation of five fish-hatcheries.

3.2. Agricultural and horticultural produce

The projected average annual rate of growth for agricultural and horticultural output during the Fifth Plan period is 4.8 per cent. Thus, the output of cereals will rise from 5.6 million tons per year to 8.3 million tons, that of industrial crops from 5.1 million tons to 7.45 million tons, orchard fruit from 1.8 million tons to 2.4 million tons, vegetables and soft fruit from 3.2 million tons to 3.6 million tons and fodder crops from 1.2 million tons to 2.4 million tons.

In view of the projected demand in the Fifth Plan period it is envisaged that the main agricultural export items will be cotton, about 90,000 tons, and fresh and dried fruit, about 250,000 tons. Major agricultural imports during the period are expected to be cereals, particularly barley and maize, about 900,000 tons, and vegetable oil, about 100,000 tons.

The objectives for agricultural and horticultural output will be achieved by means of the following methods:

- increasing the area of irrigated land by about 390,000 hectares;
- expanding double-cropping to about 150,000 hectares;
- raising crop yields by distributing improved varieties of seed and saplings, increasing the consumption of chemical fertilizer from 350,000 tons in 1351 to 800,000 tons in 1356, pest-control measures over an area of about five million hectares, expanding training, and propagating modern agricultural techniques through the appropriate organizations established in provincial centres and rural development areas;
- the implementation of the policies mentioned above with regard to loans, marketing and minimum price guarantees will also effectively contribute to increased agricultural and horticultural output.

With regard to grain storage, it is envisaged that silo capacity will always exceed four months' urban consumption. This will involve increas-

ing the present silo capacity of 392,000 tons to about 792,000 tons in 1356. To ensure the required capacity of temporary storage for grain, livestock produce and other items, measures will be taken to establish well-equipped storage facilities with a total capacity of about 700,000 tons.

3.3. Livestock produce

The projected average annual rate of growth in the output of livestock produce in the Fifth Plan is 6.6 per cent. Thus, the annual output of meat will increase from 350,000 tons to 540,000 tons, that of milk from 1.9 million tons to 2.8 million tons and that of poultry from 50,000 tons to 120,000 tons. The output of poultry and fish is expected to exceed projected demand, because meat output will fall short of demand. As a result, measures will be taken so that poultry and fish make up for the shortage of meat and meat imports in 1356 do not exceed 13,000 tons.

Increased output of livestock produce will be achieved through implementing the following measures:

- increasing the annual output of feeding stuffs from 11 billion to 16 billion fodder units by the end of the Plan period by expanding the cultivation of fodder crops, and improving sheep-farming techniques by the use of pens, so that the number of free-grazing animals is limited to what the pasture-land can support, and policies to prevent soil-erosion from over-grazing are enforced;

- increasing livestock births by improved breeding so that the livestock birth-rate is increased from the present level of about 35 per cent to 40 per cent;

- preventive measures against livestock diseases so that the level of losses is reduced from 20 per cent in the Fourth Plan to 15 per cent by the end of the Fifth Plan, with the emphasis on livestock diseases that are common to man;

- increasing the Razi Institute's annual production capacity of vaccines and veterinary supplies from its present level of 170 million doses and 20 million units by 20 per cent for each year of the Fifth Plan, with emphasis on diseases common to livestock and man, in cooperation with the Ministry of Health;

- establishing Government-owned, private and joint-venture meat and dairy complexes so as to develop a network of modern livestock units throughout the country, and increasing imports of pedigree dairy and beef cattle so that by the end of the Plan period there are about 200,000 pedigree cattle and 100,000 cross-bred cattle, encouraging livestock fattening and replacing indigenous cattle with pedigree stock;

- the rapid expansion of modern poultry farms adjacent to towns and in rural areas by cooperatives and farm corporations, and the establishment of model poultry farms by the Government to provide guidance to the private sector in suitable areas where modern poultry farms do not already exist;

- the rapid expansion of modern poultry farms adjacent to towns and in rural areas by cooperatives and farm corporations, and the establish-

ment of model poultry farms by the Government to provide guidance to the private sector in suitable areas where modern poultry farms do not already exist;

- the expansion of fishing and improved fish distribution in the Caspian Sea, Persian Gulf, Sea of Oman and inland waters, with the emphasis on the southern and south-eastern regions;

- improving the meat marketing system, the purchase and sale of livestock on the basis of live weight, with age, sex and guaranteed price, through the establishment of wholesale meat markets in suitable regions, and the manufacture of feeding stuffs in Government factories.

3.4. Land utilization

Of the total area of about 3.9 million hectares of irrigated land at the end of the Fifth Plan, 8.5 per cent will be utilized by agro-industrial units, slightly over eight per cent by farm corporations and producers' cooperatives, about 10 per cent by mechanized units and about 73.5 per cent by individual farmers.

Although the land holdings of individual farmers are mostly small, arrangements will be made through the cooperative system for them to obtain the specialized services they require, and agricultural cooperatives will assume a more effective role in basic investment and the supply and distribution of inputs and the marketing of produce.

Membership of rural and agricultural cooperatives will increase from 1.8 million at the end of the Fourth Plan to about three million at the end of the Fifth Plan. The policy of amalgamating cooperatives will be continued, so that the number of large cooperatives capable of effectively helping to achieve their members' joint economic objectives will increase to about 3,000, while that of smaller, more isolated cooperatives will decline to about 2,000.

In the Fifth Plan period, measures will be taken for medium-sized horticulturalists, stockbreeders and farmers to establish 100 agricultural cooperatives and cooperatives for the sale of their produce. It is envisaged that these cooperatives will play an effective role in achieving production objectives and improving the marketing system.

During the Plan period, on the basis of the law governing producers' cooperatives and consolidating land holdings, 60 producers' cooperatives will be established, and the number of cooperative federations will increase to 150.

With the expansion of training in cooperative affairs at all levels, especially training the managers and accountants of rural cooperatives, the integration of technical and extension services with loan facilities, the development of industry and the establishment of marketing facilities in rural areas and the construction of storage and other facilities for cooperative federations, the cooperative movement, with the guidance and leadership of the Government, will assume a decisive role in furthering Plan objectives.

3.5. Farm corporations

Surveys indicate that the establishment of farm corporations has contributed to progress in technical fields, the intellectual development of villagers, and increased production and per capita incomes. The main bottleneck to the rapid development of such corporations is the shortage of qualified managers and experts willing to work at the village level.

Action will be taken in the Fifth Plan to establish a further 100 farm corporations, thus bringing the total number of farm corporations in 1356 to 143, and the area of their operations to about 420,000 hectares.

Farm corporations will be strengthened and equipped to achieve the maximum value added in respect of their produce by integrating agriculture and animal husbandry activities, grading, packaging, processing operations, as well as by offering their produce directly to consumer markets.

3.6. Agro-industry

Agro-industrial enterprises and meat and dairy complexes, covering a total area of 300,000 hectares and including Government-owned, private and mixed ventures, will be established by the end of the Fifth Plan. These enterprises will have centralized management, and through their investments and the use of modern technology will obtain the maximum production, process agricultural and livestock produce, and create industrial and seasonal employment opportunities in rural areas. The meat and dairy complexes will contribute effectively to the establishment of a proper system for the supply of services to stockbreeders, and an improved meat marketing system, and by limited market operations will help to regulate the supply and demand of meat. In predominantly tribal stockbreeding areas such as Fars, Azarbaijan, Kordestan and Lorestan, these complexes will be established by the Government, while in other regions they will be established wherever possible by the private sector with technical advice and financial assistance from the Government, and failing that by direct Government investment.

3.7. Agricultural services in rural areas

In order to achieve Plan objectives the services and credits envisaged in the Plan will be directed to rural areas on a large scale and in an effective and coordinated manner. To provide technical advice to rural cooperatives and their members, measures will be taken with regard to employment, training and cooperative technical development workers at the village level.

4. Investment and development credits

Total credits for agriculture will increase from 77 billion Rials in the Fourth Plan, consisting of 51 billion Rials from the Development Budget and 26 billion Rials from the Ordinary Budget, to about 267 billion Rials, of which 208 billion Rials will be from development credits. Table 1 shows the distribution of Fifth Plan credits by programme, and Table 2 shows fixed investment during the Fifth Plan.

Table 1. Total credits for agriculture during the Fifth Plan
(billion Rials)

Programme	Current credits	Development credits			Total credits
		Fixed	Non-fixed	Total	
	(1)	(2)	(3)	(4)=(2+3)	(5)=(1+4)
1. Preservation and exploitation of natural resources	6.42	13.15	8.75	21.90	28.32
2. Agro-industry	0.60	26.00	2.00	28.00	28.60
3. Raising agricultural output	5.59	11.40	3.90	15.30	20.89
4. Raising output of livestock produce	6.87	18.42	5.58	24.00	30.87
5. Agricultural services	15.35	11.21	3.59	14.80	30.15
6. Cooperatives and farm corporations	12.14	22.05	9.15	31.20	43.34
7. Regulating the market of agricultural produce	9.91	13.00	0.90	13.90	23.81
8. Research and surveys	1.81	5.77	3.13	8.90	10.71
9. Agricultural credits	0.16	—	50.00	50.00	50.16
Total	58.85	121.00	87.00	208.00	266.85

Table 2. Fixed investment in agriculture during the Fifth Plan
(billion Rials)

Programme	Fixed investment						Total
	Public sector			Private sector			
	From development credits	From the resources of public enterprises	Total	From Private savings	From development credits	Total	
	(1)	(2)	(3)=(1+2)	(4)	(5)	(6)=(4+5)	(7)=(3+6)
1. Preservation and exploitation of natural resources	12.65	3.49	16.14	1.00	0.50	1.50	17.64
2. Agro-industry	22.00	4.00	26.00	5.00	4.00	9.00	35.00
3. Raising agricultural output	9.20	0.13	9.33	3.25	2.20	5.45	14.78
4. Raising output of livestock produce	10.62	1.70	12.32	5.00	7.80	12.80	25.12
5. Agricultural services	7.21	0.20	7.41	3.00	4.00	7.00	14.41
6. Cooperatives and farm corporations	13.05	—	13.05	2.75	9.00	11.75	24.80
7. Regulating the market of agricultural produce	12.50	—	12.50	2.00	0.50	2.50	15.00
8. Research and surveys	5.77	0.13	5.90	—	—	—	5.90
Total	93.00	9.65	102.65	22.00	28.00	50.00	152.65

CHAPTER

8

Development of Water Resources

Introduction

Because of its geographic position and topography, Iran is classed as an arid or semi-arid country. The Caspian littoral and western regions, with only 25 per cent of total land area, account for 52 per cent of total precipitation. The central plateau, with 50 per cent of total land area, accounts for only 28 per cent of total precipitation, and the east and south of the country, with 25 per cent of total land area, account for the remaining 20 per cent of total precipitation. The seasonal distribution is also such that most of the total precipitation occurs at the end of winter and early spring, while for the rest of the year, which represents the growing season, precipitation is minimal. In such circumstances, it has been a major aim of water resources development programmes to reduce the level of dependency on nature for water required for agricultural, urban and industrial uses. To this end, extensive activity has taken place to build reservoir dams, and considerable achievements have been made in this field. Because of some fundamental problems, however, the construction of irrigation and drainage networks has not come up to expectations, and this has resulted in under-utilization of the water regulated by the dams.

1. Basic objectives

In view of the country's social and economic development and the growing need for reliable water supplies for urban, agricultural and industrial purposes, the prevailing natural and social conditions, and the measures taken in the past, the basic objectives for the development of water resources are as follows:

a) to provide reliable water supplies for an additional eight million of the urban population, so that by the end of the Fifth Plan the entire urban population, which will number about 17 million, will have access to such supplies[1];

b) to supply the water requirements of agriculture, so that the total area of irrigated cultivation will increase from 3.5 million hectares at the end of the Fourth Plan to about 3.89 million hectares at the end of the Fifth Plan;

c) to increase installed hydro-electric power-generating capacity from 792 megawatts at the end of the Fourth Plan to 1,812 megawatts at the end of the Fifth Plan.

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[1] Rural water supplies are included in the Rural Development chapter.

2. General guidelines and policies

2.1. Water supply

In view of the physical, social and organizational aspects involved, the basic guidelines for the development of water resources are to increase water supply and effect economies in water consumption, as follows:

- to prevent water from flowing to waste in seas, lakes, swamps and deserts by establishing the necessary facilities;

- to utilize the water of frontier rivers and establish the necessary conditions for utilizing the country's water rights;

- to divert water from catchment areas which have more water than is required for local purposes to arid regions otherwise suitable for development;

- to exploit surface and groundwater resources in a coordinated fashion to ensure the maximum utilization of the existing resources of each area;

- to prevent surface waters from becoming brackish and unfit for use because of flowing across salty ground or salt plugs;

- to use the latest scientific and technical developments to utilize sea-water as well as brackish or salty inland waters, cloud-seeding, urban sewage, and to make use of waters which are unfit for use in their natural state for agricultural, industrial or urban purposes;

- to establish modern irrigation networks in regions where the traditional networks are inefficient and cause water wastage;

- to utilize groundwater resources by technically advanced methods so as to minimize water wastage;

- to establish drainage systems so as to prevent the soil from becoming saline and loss of groundwater from evaporation;

- to carry out the necessary research on modern methods of irrigation, such as overhead and spray irrigation systems;

- to prevent the pollution of water resources.

2.2. Hydro-electric power generation

In view of Iran's basically limited water resources, the general guidelines for the generation of hydro-electric power will be as follows:

- In regions with scanty water resources, such as Fars, to allocate water resources as far as possible for urban, agricultural and industrial purposes, and not to construct hydro-electric power generating facilities, which involve the run-off of additional water;

- in regions such as Khuzestan, where the water resources are greater than the demand for urban, agricultural and industrial purposes, to consider the construction of hydro-electric power-generating facilities so as to make the maximum use of such resources.

2.3. Flood control

In the construction of reservoir dams, consideration will be given to flood control systems so as to minimize flood damage, but in view of the country's limited water resources priority will be given to dam construction for the provision of water for urban, agricultural and industrial purposes.

2.4. Quality control and preservation of water resources:

In order to control the quality of and preserve the country's water resources, legislation regarding water, including the nationalization thereof, will gradually be enforced throughout the country.

3. Specific programmes

In order to achieve the above basic objectives, six programmes will be implemented. These will cover water supply, the establishment of irrigation networks, urban water facilities, the generation of hydro-electric power, supervision and research.

3.1. Water supply

In order to provide for the urban, industrial and agricultural water requirements, as well as to generate hydro-electric power and prevent flooding and flood damage, the following programmes are envisaged:

- the construction of reservoir dams begun in the Fourth Plan will be completed. This will result in the regulation of approximately 9,490 million cubic metres of water annually;

- the construction of new reservoir dams, the studies relating to which have been completed in the Fourth Plan, will begin and the related construction operations will be partly completed in the Fifth Plan and partly in subsequent Plan periods. The quantity of water regulated by such dams will amount to 430 million cubic metres in the Fifth Plan, and a further 2,470 million cubic metres in subsequent Plans;

- diversion dams will be constructed in suitable locations enabling 1,130 million cubic metres of river water to be used directly;

- programmes begun in the Fourth Plan to divert 430 million cubic metres of water from areas with plentiful supplies to arid areas will be completed in the Fifth Plan, and similar programmes involving the diversion of a further 195 million cubic metres will be started, of which operations in respect of 95 million cubic metres will be completed;

- facilities for the exploitation of 1,120 million cubic metres of groundwater annually in areas requiring public sector investment will be installed, and the private sector will install facilities for the exploitation of an additional 1,010 cubic metres per year. The extent of these operations is subject to change depending on the resources available to each sector;

- to achieve more efficient utilization of the facilities used to exploit groundwater and surface water resources, such resources will be exploited by means of integrated systems wherever feasible;

- desalination plant capacity will be increased from three million cubic metres per year to 16 million cubic metres per year by the end of the Fifth Plan.

3.2. Irrigation and drainage networks

To convey water to land downstream from dams and land where groundwater is utilized, the following irrigation and drainage network construction programmes will be implemented:

- the construction of main irrigation and drainage networks (Grades 1 and 2), serving 387,000 hectares, which was started in the Fourth Plan, will be completed;

- the construction of new main irrigation and drainge networks, serving 744,000 hectares will be started, and by the end of the Fifth Plan, networks serving 455,000 hectares will be completed;

- the construction of subsidiary irrigation and drainage networks (Grades 3 and 4), serving 140,000 hectares, which was begun in the Fourth Plan, will be completed;

- the construction of new subsidiary irrigation and drainage networks serving 998,000 hectares will be started, and by the end of the Fifth Plan networks serving 455,000 hectares will be completed;

- improvements to traditional irrigation networks serving 165,000 hectares will begin during the Fifth Plan, and work relating to 100,000 hectares thereof will be completed.

Figure 1 shows the increase in the area of land irrigated by subsidiary networks.

3.3. Urban water facilities

The capacity of urban water facilities, including reservoirs, water treatment plants, water mains and pumping stations will increase to 483 million cubic metres a year by the end of the Fifth Plan.

3.4. Hydro-electric power generation

In order to provide electric power for agricultural, industrial and urban and rural development sectors, the following hydro-electric power generation programme will be implemented:

- the construction and installation of hydro-electric power facilities begun in the Fourth Plan will be completed, thus increasing the installed generating capacity by one thousand megawatts.

- the installed generating capacity of hydro-electric projects begun in the Fifth Plan will amount to 205 megawatts, of which 20 megawatts will be in service by the end of the Plan period.

3.5. Supervision of water resources

In order to ensure that the country's water resources are exploited properly and to prevent water pollution, the following programmes will be implemented:

- the regulations governing the nationalization of water which first went into force during the Fourth Plan will be extended to 15 per cent of utilizable waters by the end of the Fifth Plan;

- the necessary administrative organization will be established to enforce the regulations preventing water pollution in areas where pollution is severe and there is insufficient water for urban, agricultural and industrial uses;

- the necessary data will be gathered to enable floods to be predicted in densely populated regions, by creating the organizations and facilities required.

3.6. Research

In order to identify the quantity and quality of the available water resources and to ensure that they are properly utilized, the following programmes will be implemented:

- the preparation of climatological data, which is the basis of studies for the expanded exploitation of the country's water resources, and of data relating to groundwater resources, so as to ascertain the capacity of the latter and determine potential expansion in their exploitation, and control the quantity and quality of the aquifers on a continuing basis;

- the long-term requirements of every town will be studied, and with due consideration for available resources the most suitable and economic source or sources in each region will be identified and time schedules for the various operational programmes relating to the supply and distribution of water will be prepared;

- the fact that the country's water resources are limited necessitates the use of the scientific and technical developments that are constantly taking place throughout the world, especially in the field of the improved utilization of water resources. Appro-

priate solutions must be found to the problem of supplying increasing quantities of water and improving the quality of existing supplies, and wherever possible economies in water consumption must be made;

- training of the technical personnel required in various fields to develop and exploit water resources will be expanded, with due regard to the country's future requirements. Arrangements will be made to provide Iranian specialists with sufficient experience so that the need for foreign specialists is gradually eliminated.

3.7. Executive policies

In implementing the above objectives and programmes, the executive policies for the development of water resources in the Fifth Plan will be as follows:

a) **Water supply**

- In view of the projects already completed in the field of supplying and regulating water and the present disparity between the exploitation of water resources and the supply and regulation thereof, the highest priority will be given to the exploitation of water resources already regulated, and new reservoir dams for irrigation will be constructed exclusively in cases where the regulation of water is essential in terms of compensating for backwardness in social and regional development terms;
- The exploitation of frontier river waters will receive special emphasis, and opportunities will be provided to utilize the country's water rights;
- In regions where feasibility studies have already been carried out with regard to the exploitation of groundwater resources and development potential has been shown to exist, users will be encouraged to invest in such development by forming cooperatives and farm corporations. The exploitation of water resources will however be controlled and supervised by the Government in accordance with existing legislation covering water resources and the nationalization thereof.

- Public sector investment in the exploitation of groundwater resources will be made in the following cases:

In exceptional cases where the proper exploitation of groundwater resources gives rise to technical difficulties and requires substantial investment beyond the capabilities of the private sector, including those of farm corporations, cooperatives and cooperative federations;

In cases where the joint utilization of surface and groundwater resources is effected by means of modern irrigation networks, the management of which is in the hands of a single unit.

- In regions where surveys have confirmed the feasibility of exploiting water resources but the implementation of the law requires detailed studies, the private sector will be permitted to utilize groundwater resour-

ces and the Government will provide technical and economic guidance, as well as long-term loans, with due regard for the provisions of the law governing the nationalization of water resources.

-The cost price of each cubic metre of water will be calculated on the basis of the current and amortized costs, including interest on investment, with due regard for the investments made in the various water resources development projects, as well as the relative maintenance and operating costs. This will form the basis of a coordinated tariff policy for agricultural and industrial consumers, with due regard for social and economic factors, which will gradually be introduced on a regional basis.

b) **Irrigation networks**

- The construction of irrigation and drainage networks, in areas where reservoir or diversion dams have already been built, will be completed as rapidly as possible.
- The construction of main irrigation and drainage networks will be completed as rapidly as possible.
- The construction of subsidiary irrigation networks (Grades 3 and 4 canals[1]) will be carried out by means of private sector investment, and made available to users in accordance with specific regulations.[2]
- With technical and financial assistance from the Government and the self-help efforts of the villagers, measures will be taken to improve traditional irrigation networks in land being farmed.
- With regard to land utilization, the social and economic conditions prevailing in land downstream from irrigation networks will be studied, in the light of which measures will be taken to organize the farmers in operational units in each region.

c) **Urban water supply**

In order to create facilities in keeping with the water master plan for each region, including agricultural, industrial and urban use, and to ensure the proper utilization of water resources in each region, the regional water authorities will be responsible for supplying water to towns and villages in their area. Companies will be formed to construct and operate water distribution networks and establish sewerage systems, and these companies shall be managed by the regional water authorities affiliated to the Ministry of Water and Power. In the case of water distribution in rural areas the Ministry of Water and Power will take steps to train the technical personnel required and the latter will operate the systems under the supervision of the village councils

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[1]Grade 4 canals are used to irrigate areas of land between 20 and 50 hectares in size. They are usually fed by Grade 3 canals, but sometimes branch directly off Grade 1 canals.

[2]The legislation currently in force provides for the cost of water conveyance facilities up to areas of land 100 hectares in size to be borne by the public sector in cases where land downstream from dams has been leased to private agro-industrial units.

- Initial investment related to water supply and distribution systems, as well as urban sewerage systems, will be financed as grants-in-aid from development funds in accordance with specific criteria, provided that all revenue received from the sale of water is used exclusively for the operation, maintenance and expansion of such facilities.

- In cities which are faced with a water shortage, such as Tehran, the charge for water will be set so as to provide sufficient incentive to economize on water consumption. In regions where the cost price of water is high, but for social exigencies it is not expedient to recover the total cost from consumers, the rate for minimum consumption will be adjusted to include Government assistance. Nevertheless, water rates will always be fixed so as to cover the maintenance and operating costs.

d) **Hydro-electric power generation**

In view of the investments already made in hydro-electric power-generating facilities and the fact that irrigation networks serving land downstream from dams have not yet been completed, until such time as the water requirements for agriculture reach their to maximum, the optimum use will be made of such investments by generating additional hydro-electric power.

e) **Research**

During the Fifth Plan, the necessary standards and criteria will be set for the collection and compilation of statistics, and the carrying out of research programmes regarding the construction and operation of water facilities.

- In carrying out research related to the development of water resources, priority will be given to equipping and utilizing the Ministry of Water and Power's hydraulic laboratories, and the facilities available in Iranian universities.

- In order to ascertain the quantity and quality of the country's water resources and to discover new resources, particular attention will be paid during the Fifth Plan to identifying groundwater resources and preparing a national water programme.

f) **Supervision of water resources**

The regulations governing the nationalization of water resources will be enforced in various regions with due regard to the following priorities:

- In densely populated regions and where water pollution is severe, and water resources are insufficient to meet urban, agricultural and industrial needs;

- In regions where the water facilities required for the proper exploitation of water resources have been established.

4. Investment and development credits

Total credits for the development of water resources will rise from 46.8 billion Rials in the Fourth Plan (consisting of 45.3 billion Rials from the Development Budget and 1.5 billion Rials from the Ordinary Government Budget) to 110.7 billion Rials in the Fifth Plan. Table 1 shows total Fifth Plan credits and Table 2 shows fixed investment in the development of water resources in the Fifth Plan.

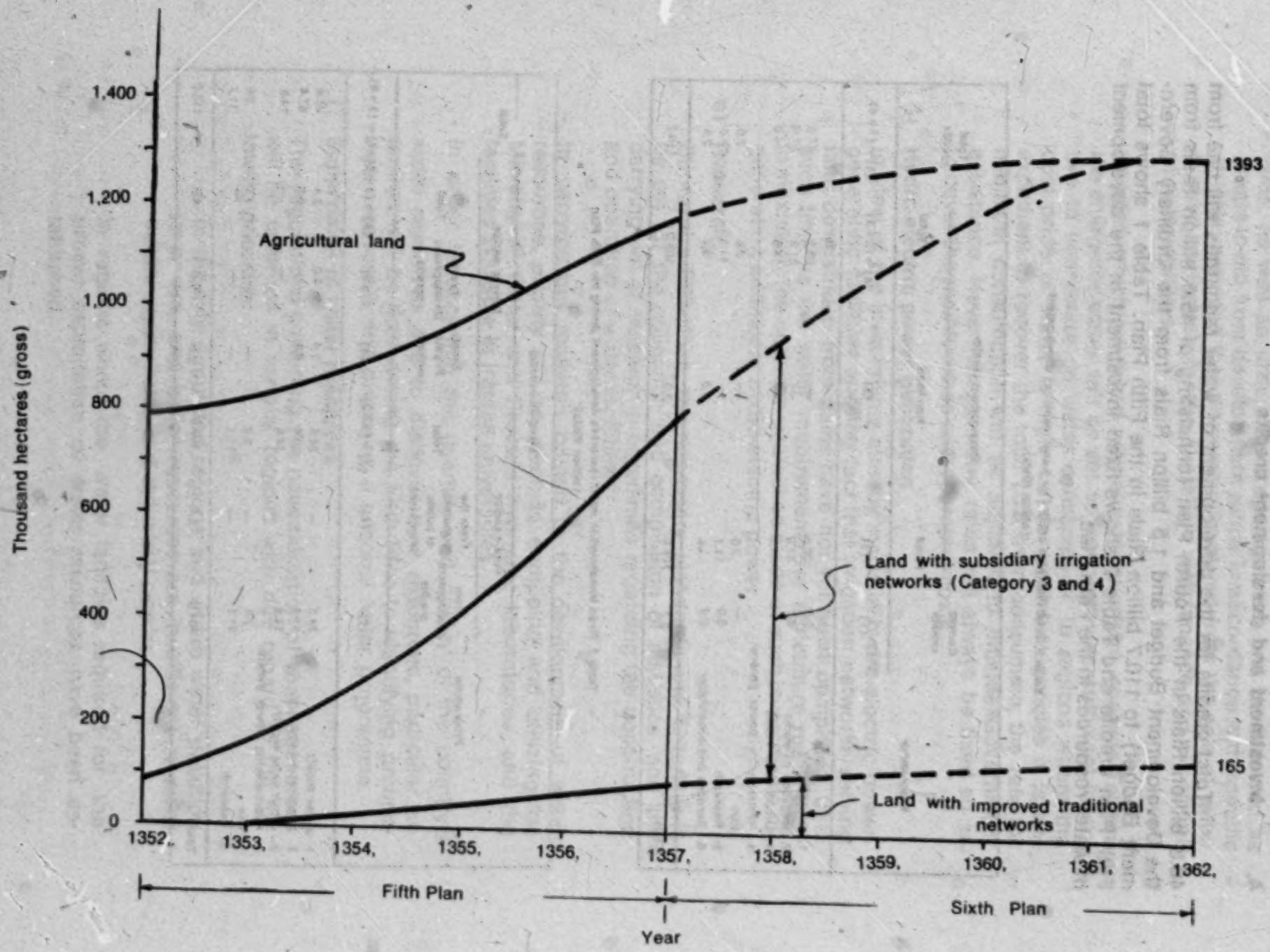
Table 1. Total Fifth Plan credits for water resources development
(billion Rials)

Programme	Current credits	Development credits			Total credits
		Fixed	Non-fixed	Total	
	(1)	(2)	(3)	(4)=(2+3)	(5)=(1+4)
1. Water supply	0.8	26.5	—	26.5	27.3
2. Irrigation networks	0.1	51.8	—	51.8	51.9
3. Urban water supply	—	14.6	—	14.6	14.6
4. Hydro-electric power generation	—	2.0	—	2.0	2.0
5. Research	0.9	11.1	—	11.1	12.0
6. Services and supervision	0.9	—	2.0	2.0	2.9
Total	2.7	106.0	2.0	108.0	110.7

Table 2. Fixed investment in water resources development during the Fifth Plan
(billion Rials)

Programme	Fixed investment						
	Public sector			Private sector			Total
	From development credits	From the resources of public enterprises	Total	From Private savings	From Development credits	Total	
	(1)	(2)	(3)=(1+2)	(4)	(5)	(6)=(4+5)	(7)=(3+6)
1. Water supply	24.5	—	24.5	1.4	2.0	3.4	27.9
2. Irrigation networks	51.8	5.0	56.6	0.8	—	0.8	57.4
3. Urban water supply	14.6	—	14.6	—	—	—	14.6
4. Hydro-electric power generation	2.0	—	2.0	—	—	—	2.0
5. Research	11.1	—	11.1	—	—	—	11.1
Total	104.0	5.0	109.0	2.0	2.0	4.0	113.0

Fig. 1 _ Increase in area of agricultural land and subsidiary irrigation networks for irrigated land projects in hand and projects scheduled to begin in the Fifth Plan



CHAPTER

9

Industry

1. Basic Objectives

1.1. Qualitative objectives

The qualitative objectives for the Fifth Plan are as follows:

a) to complete, equip and expand existing industrial units and encourage similar units to merge, so as to make the optimum utilization of the country's industrial capacity and thereby effect economies of operation, reduce production costs and improve the quality of goods;

b) to establish new industries related to existing industries and available resources, particularly ones producing capital and intermediate goods, and thereby reduce future dependence on imported goods;

c) to expand export markets and thus reach the goals established for the «Export Decade», leading to improved quality of industrial goods, price stability and increased foreign exchange earnings;

d) to utilize labour-intensive technology in the large-scale and heavy industries which it is envisaged will be established during the Fifth Plan, and restricting capital-intensive technology to cases where it is essential;

e) to establish satellite, subsidiary and complementary industries, in the form of small-scale industries which are supplied by and in turn themselves supply large-scale industries, so as to speed up and strengthen the country's industrial growth;

f) to place greater emphasis on industries linked to agriculture so as to quicken the pace of agricultural development and hence raise per capita income levels in rural areas and help to overcome shortages of food and livestock consumer products and generate permanent and temporary employment for new settlers in rural areas and on the outskirts of urban areas;

g) to encourage and protect foreign investment so as to attract advanced technology and gain entry to new export markets for Iranian industrial goods and mobilize new financial resources;

h) to emphasize and encourage industrial research at the higher educational level and in productive units so that advanced industrial technology is absorbed and an indigenous tradition created in this field;

i) to broaden the base of industrial ownership by transferring shares in industrial units to workers, staff employees and the general

public so as to achieve a more equitable distribution of the fruits of industrial progress;

j) to train industrial managers at various levels so as to help separate as far as possible the functions of ownership from those of management;

k) to effect the gradual sale to the private sector of public sector industrial units which have in the past been established to guide and encourage private interests to invest in industry;

l) to provide credit facilities and infrastructural assistance to remote regions of the country that are suitable for development, outside existing industrial development poles.

m) to prevent the pollution of water resources;

1.2. Quantitative objectives

The quantitative objectives for industry in the Fifth Plan are as follows:

a) The value of industrial production will increase from 509 billion Rials in the last year of the Fourth Plan to 972 billion Rials in 1356, an average annual rate of growth of 14 per cent, while value added will increase from an estimated 163.7 billion Rials to 330 billion Rials during the period.

To achieve this objective will necessitate an average annual rate of growth of 15 per cent (at 1351 prices), which will result in the contribution of the industrial sector to the gross domestic product increasing from 13.4 per cent (1351 estimate) to 16 per cent by the end of the Fifth Plan.

b) Total employment in industrial occupations, which amounted to 1.75 million in the last year of the Fourth Plan, will increase at an average annual rate of seven per cent to about 2.5 million in the last year of the Fifth Plan, as 735,000 productive jobs are created. This will result in total industrial employment increasing from 20.7 per cent of total employment in 1351 to 25 per cent of total employment in 1356.

c) Non-oil industrial exports, consisting of traditional goods and modern industrial products, will grow at an average annual rate of about 18 per cent from 27 billion Rials (1351 estimate) to about 61 billion Rials in the last year of the Fifth Plan.

2. General guidelines and policies

2.1. General guidelines

The following general guidelines for industry have been established in the Fifth Plan:

a) to encourage industrial research at the university and operational unit level, in both the public and the private sector, provide on-going cooperation between major production units and research centres so as

to develop an indigenous technology, raise the quality and improve the standardization of industrial goods;

b) to exercise constant quality control over goods manufactured in Iran so as to protect domestic consumers and ensure that such goods are competitive in the international market-place;

c) to utilize existing resources of raw materials and process these into goods for domestic consumption or export;

d) to emphasize the establishment of medium and small-scale industries because of their propensity to generate employment, especially in backward regions with good development potential, so as to raise per capita incomes in such regions and expand the market for durable consumer goods, the demand for which has hitherto been mainly restricted to the urban population;

e) to confine direct Government investment to basic industries such as copper, steel, petrochemicals and industries which are important in terms of national defence and social welfare;

f) to encourage the public to invest their savings in industrial stocks and shares and to expand the base of industrial ownership by strengthening the stock exchange through sales of shares in public and private factories to workers, staff employees and the general public;

g) to invest in industrial projects abroad in cases where such products will facilitate the export of Iranian raw and intermediary goods for the manufacture of industrial goods, and thereby provide access to new foreign markets.

2.2. Tariff policy

A constant review of the level of tariff protection given to various branches of industry will be a basic principle of the country's tariff policy and this policy will be implemented during the Fifth Plan period in the following manner:

a) In the case of consumer goods, the present policy of gradually reducing tariff protection so as to raise the quality of goods manufactured in Iran and enable such goods to be competitive with similar imported goods will be continued.

b) In the case of intermediate or capital goods, appropriate tariff protection will be given to manufacturers of such goods so as to reduce imports thereof and encourage domestic manufacture, thus saving foreign exchange. After a reasonable period of time, such protection should obviously be gradually reduced.

2.3. Credit policy

The credit policy for industry in the Fifth Plan will be as follows:

a) to encourage public and private insurance companies and workers' social insurance organizations to purchase shares in industrial companies;

b) to extend the services of existing specialized Banks in various regions to help create industrial units;

c) to encourage commercial banks to establish special units for the proper evaluation of industrial projects for the granting of credits and working capital loans to industrial units or for equity participation in them, particularly the granting of credit assistance to small-scale industries at the province level;

d) to ensure that the working capital needs of public and private industrial enterprises are provided through the specialized or commercial banks;

e) to provide financial incentives such as preferential interest rates for small-scale industries, especially in economically retarded regions and small towns;

f) to create the necessary facilities for workers and staff employees in industrial enterprises for the purchase of industrial shares;

g) to assist the specialized and commercial banks in equity participation in small-scale and medium-scale industries or to grant loans to such industries without regard for normal collateral security, particularly in urban areas, small towns and economically retarded regions;

h) to create, in the public sector, an investment and underwriting organization so as to attract savings and protect small investors;

i) to review the policies of the commercial and specialized banks to ensure financial assistance is given to private industrialists on the basis of their presenting sound and viable projects without regard for normal collateral security, a policy which is to be observed particularly in the case of assistance provided from development credits.

2.4. Taxation policy

Fiscal policy will be directed to the following objectives:

a) to improve accounting methods in industrial units and at the same time improve tax assessment procedures;

b) to adopt the necessary policies with relation to land so that savings are channelled into industrial activities rather than land speculation.

2.5. Training and research policy

In view of the scanty funds allocated to industrial research, and the need to increase such funds, the Fifth Plan policy in this regard will be as follows:

a) to carry out a basic review of the qualitative and quantitative aspects of courses offered by universities and other institutes of higher education, with a view to strengthening engineering, scientific and management courses so as to help the industrial and mining sector;

b) to create vocational training centres adjacent to both public and private industrial units in order to train technicians and skilled workers, as well as small-scale and rural industrialists;

c) to establish short-term and long-term scholarships for in-service training abroad at various levels and in various fields required by the industrial and mining sector;

d) to encourage medium and large-scale industries to employ cost accounting methods and train cost accountants.

2.6. Standardization and consumer protection policies

The following measures will be taken to protect consumers and make domestic industries more competitive:

a) the standardization of goods and industrial research will be expanded and the quality of goods constantly supervised so as to raise the quality of goods both for domestic consumption and export;

b) domestic consumers will be protected in terms of retail price in relation to quality, with due regard to the production costs of the goods concerned;

c) the import of industrial goods not conforming to usual standards will be banned.

2.7. Administrative policies and regulations

Administrative policies affecting industry will be directed to the following objectives:

a) to delegate greater authority to local Government agencies and strengthen their technical staff for the issue of permits for the establishment and operation of small-scale and medium-scale industries in the provincial regions without reference to the capital;

b) to require Government organizations and public enterprises to obtain their requirements from domestic sources if goods similar to those required are manufactured in Iran;

c) to review the Commercial Code so as to protect the interests of small investors and coordinate the Code with the new policies aimed at broadening the base of industrial ownership;

d) to provide reliable water, electricity and telephone services required by industrial enterprises at established and relatively stable rates;

e) to exercise constant supervision over the price of intermediate industrial goods so as to prevent any unreasonable rises in the production costs of industrial and non-industrial consumer goods;

f) to sell publicly-owned industrial units to the private sector subject to regulations to be approved by the statutory authorities.

2.8. Environmental preservation policy

Emphasis will be placed during the Fifth Plan on determining technical criteria for the preservation of the environment and the prevention of pollution, which will be gradually implemented with regard to the choice of location and the technical design of manufacturing units, with priority and various kinds of protection being given to industrial projects which observe these criteria.

3. Specific objectives and programmes

3.1. The food industry

- The value added of the foodstuffs, beverages and tobacco industries will increase at an average annual rate of 4.8 per cent.

- In most branches of the food industry efforts will be made to ensure self-sufficiency, so as to make the country independent of imports of foodstuffs.

- In the case of some food products, such as fish, dates and vegetable oil, export targets have been set.

- In view of varying regional climatic conditions and the distance between centres of production and centres of consumption, the objective will be to complete cold storages, chiefly in provinces and governorates-general, so that consumers can obtain reliable supplies of good quality fruit, vegetables, meat, fish and dairy products.

- Plants for the production of livestock and poultry feed will be established in suitable parts of the country so as to regulate the supply of feed and prevent any problems from arising in this field, particularly in winter.

- To avoid shortages of animal protein in Iran and increase the per capita income of the inhabitants of coastal areas in the Persian Gulf and Sea of Oman, efforts will be made to introduce trawl-fishing, at first experimentally, and Iranian fishing vessels will also operate in international waters, and foreign exchange will be earned from the export of canned fish, fish meal and other products.

3.2. The textile, garment, shoe, carpet and handicrafts industries

- The added value of these industries will increase at an average annual rate of 8.9 per cent.

- In the textile and garment industries the objective will be to ensure self-sufficiency and then export these products, with particular emphasis on the production of ready-made clothing, a field in which Iran has a considerable comparative advantage.

- In view of the change of public taste from artificial fibres towards natural silk, and the increase in the production and export of silk carpets and other handicrafts, the ancient traditional silk industry will be revived. The domestic production of the raw materials required by the industry will

also help to reduce unemployment and under-employment in certain rural areas.

- The handicrafts industry, which has hitherto been encouraged chiefly in cities and small towns, will also be encouraged and protected in rural areas where there is an established tradition in this field by means of improving working methods and equipment, direct purchasing guarantees and the marketing of handicrafts in Iran and abroad.

3.3 The cellulose industry

- The value added of the cellulose industry will increase at an average annual rate of 17.5 per cent.

- Efforts will be made during the Fifth Plan to utilize fully the 1.4 million hectares of commercially exploitable forests, and by setting up timber and pulp complexes in forest areas of north Iran to produce more than half the country's paper requirements domestically.

- In the case of timber products, in addition to meeting domestic demands the target will be to export such products.

3.4. The hides and skins industry

- The value added of the hides and skins industry in the Fifth Plan will increase at an average annual rate of 9.9 per cent.

- Among the objectives for the industry will be to expand and complete existing plants, and also implement basic new measures to improve the quality of the raw materials required.

3.5. The chemical and petrochemical industries

- The value added of the chemical and petrochemical industries in the Fifth Plan will increase at an average annual rate of 21.1 per cent.

- Intermediate chemical materials will be produced on an economic scale sufficient to replace imports and for export to world markets.

- The production of chemical and petrochemical consumer goods, such as fertilizer, paint, artificial fibres, plastics and tyres, will continue.

- Advantage will be taken of Iran's relatively advantageous position in the production of chemical and petrochemical goods such as detergents, plastic goods, fertilizer and aromatics, to attempt to export these products.

3.6. The non-metallic mineral industry

- The value added of the non-metallic mineral industry will increase during the Fifth Plan at an average annual rate of 23.3 per cent.

- In the construction materials sector, the materials required for the construction programmes for housing, roads, airports, industrial buildings, canals, dams and ports will be supplied.

- Self-sufficiency in non-metallic mineral products will be aimed at in the Fifth Plan, and in addition, consideration will be given to the export of tiles.

3.7. The base metals and metal products industry

- The value added of the base metals and metal products industry in the Fifth Plan will increase at an average annual rate of 24 per cent.

- During the Fifth Plan period the consumption of metal construction materials such as steel beams, pipes, wire and cable, and structural steel items will be supplied entirely from domestic sources, but requirements of steel sheet, which account for about 45 per cent of the country's total demand for iron and steel products, will continue to be met by imports.

- The capacity of the Aryamehr steel mill complex will be expanded to about 1.9 million tons, and the establishment of two direct reduction mills adjacent to natural gas reserves, each with a capacity of about one million tons of sponge iron, is envisaged.

- Because of the existence of very large copper deposits at Sarcheshmeh, near Kerman, and the establishment of an ore concentration plant, it is envisaged that in the last year of the Fifth Plan about 160,000 tons of blister copper will be produced, the major part of which will be exported.

3.8. Mechanical industries

- The value added of the mechanical industries during the Fifth Plan period will increase at an average annual rate of 28.2 per cent.

- The manufacture of capital and intermediate metal goods, such as machine goods, pressure vessels, industrial boilers, steel structures, pumps and compressors, presses and electro-motors, and similar equipment required by other industries, will be increased, and by raising the technical knowledge and training skilled manpower the long-term needs for industrializing the country will be met.

3.9. The electrical machinery industry

- The value added of the electrical machinery industry during the Fifth Plan period will increase at an average annual rate of 15.9 per cent.

- The manufacture of durable consumer goods such as refrigerators, television sets, telephones and light bulbs will continue, and by carrying out projects for the domestic manufacture of components and equipment the value added of this industry will be further increased.

3.10. The automotive industry

- The value added of the automotive industry during the Fifth Plan

period will increase at an average annual rate of growth of 19.2 per cent.

- The objective is to raise the ratio of domestically produced automotive components from 50 per cent to 75 per cent during the Fifth Plan period by establishing facilities for the manufacture of automotive engines, and thus substantially reduce imports of such items.

- In the case of tractors and agricultural implements, the programme of expanding existing manufacturing units while at the same time stabilizing the rate of increase in cultivated land will enable the objective of exporting such items to neighbouring countries to be achieved.

- Preliminary steps will be taken in the Fifth Plan to establish a dry dock on the southern coast of Iran, and during the Fifth Plan period attempts will be made to attract commercial vessels tankers operating to and in the Persian Gulf and the Sea of Oman to use the repair facilities provided by this dry dock, and to embark upon long-term ship-building programmes by starting to build small vessels.

3.11. Small-scale industries

In view of the importance of these industries to the expansion of the country's industrial base, and in particular the stress in the Fifth Plan on coordinating relations between various industries, especially between large-scale and small-scale industries, the programmes and policies relating to these industries will be as follows:

- to carry out a survey of small industries, particularly from the point of view of their suitability to be closely associated with other industries and other sectors of the economy;

- to assist small-scale industries in technical and training fields and provide consultancy and advisory services with priority being determined on the basis of the suitability for close association with other industries;

- to grant loans and credit facilities on easy terms to about 10,000 small industrial units, and review the nature of collateral security required with due regard to their suitability for close association with other industries;

- to establish independent separate offices in specialized industrial and commercial banks for the granting of loans and financial assistance to small industries;

- to require Government organizations and public enterprises to purchase goods produced by small industries;

- to establish contracting centres between small-scale and large-scale industries;

- to provide infrastructural facilities, such as land, roads, water, electricity, telephones and training workshops, to facilitate the establishment of small industries in suitable locations.

4. Investment and development credits

- In order to achieve the above objectives, and in view of such factors as raising the efficiency of existing industries, taking the measures required to improve management, advisory services, technical and financial assistance to the private sector, and investment in industries where Iran has comparative advantages, the level of investment in industry during the Fifth Plan period is expected to amount to about 506.4 billion Rials, including four billion Rials in the form of technical assistance to industry. Of this, public sector investment will represent about 40 per cent, and the private sector will account for the remaining 60 per cent. Of the public sector's projected 199.6 billion Rials, 183.9 billion Rials will be provided from development funds, with the balance coming from the internal resources of public enterprises.

- More than 90 per cent of Government investment in industry will take place in areas outside Tehran.

- Total development credits for industry will increase from 103.5 billion Rials in the Fourth Plan (consisting of 99.2 billion Rials from the Development Budget and 4.3 billion Rials from the Ordinary Government Budget) to 194.5 billion Rials in the Fifth Plan.

- Table 1 shows total development credits for industry in the Fifth Plan and Table 2 shows fixed investment in industry.

Table 1. Total credits for industry during the Fifth Plan period
(billion Rials)

Programme	Current credits	Development credits			Total
		Fixed	Non-fixed	Total	
	(1)	(2)	(3)	(4) = (2+3)	(5) = (1+4)
1. Food industries	—	8.500	—	8.500	8.500
2. Textiles, carpets, handicrafts and rural industries	—	3.000	—	3.000	3.000
3. Cellulose and printing	—	15.000	—	15.000	15.000
4. Hides and skins	—	—	—	—	—
5. Chemicals and petrochemicals	—	42.000	—	42.000	42.000
6. Non-metallic minerals[1]	—	—	—	—	—
7. Base metals	—	57.000	—	57.000	57.000
8. Non-electric machinery	—	25.240	—	25.240	25.240
9. Electric machinery	—	—	—	—	—
10. Automotive	—	9.160	—	9.160	9.160
11. Transfer to the private sector	—	20.000	—	20.000	20.000
12. Technical assistance to industry[2]	1.655	—	4.000	4.000	5.655
13. General services and control[3]	7.017	—	—	—	7.017
14. Recurrent projects[4]	1.967	—	—	—	1.967
Total	10.639	179.900	4.000	183.900	194.539

1) Excludes credits required for the manufacture of pre-fabricated construction components.

2) Includes industrial studies, technical and research assistance and industrial laboratories.

3) Includes supervision of industrial affairs, domestic and foreign marketing, industrial →

Table 2. Fixed Investment in Industry during the Fifth Plan
(billion Rials)

Programme	Fixed Investment						
	Public sector			Private sector			Grand total
	From development funds	From commercial enterprises	Total	From private savings	From development credits	Total	
	(1)	(2)	(3)=(1+2)	(4)	(5)	(6)=(4+5)	(7)=(3+6)
1. Food industries	8.50	6.75	15.25	32.25	3.00	35.25	50.50
2. Textiles, carpets, handicrafts and rural industries	3.00	0.50	3.50	45.50	1.50	47.00	50.50
3. Cellulose and printing	15.00	0.30	15.30	10.00	—	10.00	25.30
4. Hides and skins	—	—	—	2.00	—	2.00	2.00
5. Chemicals and petrochemicals	42.00	3.00	45.00	68.20	3.00	71.20	116.20
6. Non-metallic minerals[1]	—	1.65	1.65	50.85	5.00	55.85	57.50
7. Base metals	57.00	—	57.00	55.50	4.00	59.50	116.50
8. Non-electric machinery	25.24	3.50	28.74	11.50	1.50	13.00	41.74
9. Electric machinery	—	—	—	9.50	1.00	10.50	10.50
10. Automotive	9.16	—	9.16	20.50	1.00	21.50	30.66
11. Miscellaneous	—	—	—	1.00	—	1.00	1.00
Total	159.90	15.70	175.60	306.80	20.00	326.80	502.40

1) Excludes credits required for the manufacture of prefabricated construction components.

mining and commercial statistics, exports promotion, international fairs, and the activities of the Industrial Development and Reconstruction Organization of Iran, the Central Companies Organization and the Military Industries Organization.

4) Includes the administrative expenditure of the National Petrochemical Company, the Handicrafts Centre and the Organization of Small-scale Industries.

Table 3. Projected investment in public sector industrial projects from development credits and internal resources of public enterprises in the Fifth Plan
(million Rials)

Project	Development credits	Internal resources of public enterprises	Total
1. **Food industries**	8,500	6,750	15,250
Expansion of sugar factories (cane and beet)	4,000	3,000	7,000
Fisheries (Northern and Southern)	1,500	500	2,000
Cold storages	1,000	—	1,000
Dairy complexes	1,000	—	1,000
Agro-industry	1,000	—	1,000
Tea, tobacco and other food industries	—	3,250	3,250
2. **Textiles, carpets, handicrafts and rural industries**	3,000	500	3,500
Iran Factories Corporation	—	250	250
Mazandaran Textile Company and others	—	250	250
Handicrafts, carpets, rural industries	3,000	—	3,000
3. **Cellulose industry**	15,000	300	15,300
Gilan Paper Mill[1]	8,000	—	8,000
Mazandaran Paper Mill[1]	7,000	—	7,000
Gilan Timber Company	—	300	300
4. **Chemicals and petrochemicals**	42,000	3,000	45,000
Petrochemicals	30,000	—	30,000
Military industries (chemical)[2]	12,000	2,000	14,000
Fertilizer industry	—	1,000	1,000
5. **Non-metallic minerals**	—	1,650	1,650
6. **Base metals**[3]	57,000	—	57,000
Expansion of steel mill (excluding mining, housing and training)	40,000	—	40,000
Direct reduction	7,000	—	7,000
Copper smelting (excluding mining and housing)	10,000	—	10,000
7. **Mechanical industries**	25,240	3,500	28,740
Expansion of Tabriz machine tool plant	3,000	250	3,250
Expansion of Arak machine tool plant	3,000	250	3,250
Military industries (mechanical)[4]	19,240	3,000	22,240
8. **Automotive industries**	9,160	—	9,160
Tractor manufacture	3,000	—	3,000
Ship repair (excluding housing and port construction)	5,000	—	5,000
Military industries (helicopters and aircraft)	1,160	—	1,160
9. **Technical assistance to industry**[5]	4,000	—	4,000
Industrial studies	—	—	—
Technical and research assistance	—	—	—
Industrial laboratories	—	—	—
Organization for Supervision and Underwriting of Shares and investment in Industrial Guarantee Fund	—	—	—
10. **Transfers to private sector**	20,000	—	20,000
Small-scale industries	5,000	—	5,000
Medium industries	5,000	—	5,000
Large-scale industries	10,000	—	10,000
Total[6]	183,900	15,700	199,600

1) Total investment in these two mills is expected to be about 30 billion Rials, the Government share of which will be half.

2) Includes investment in a battery-manufacturing plant.

3) Excludes investment in the expansion of the aluminium smelter, establishment of a zinc smelter and a second direct reduction mill.

4) Total development credits envisaged for military industries amount to 32.4 billion Rials.

5) Includes feasibility studies, industrial research carried out by universities, scientific and technical research institutes and the Standards Institute, the establishment of bureaus and centres for technical and design affairs, efficiency studies, technology, metallurgy, and the collection of technical, scientific and industrial documentation, and technical and extension assistance to small-scale industries.

6) Expenditures relating to industrial training and housing in respect of the above projects are included respectively in the Education and Housing chapters.

Table 4. Investment in the petrochemical industry during the Fifth Plan
(million Rials)

Project	Investment by National Petrochemical Company (1)	Share of total project investment (per cent) (2)	Investment by private sector (domestic and foreign) (3)	Share of total project investment (per cent) (4)	Total (5)=(1+3)
1. Expansion of Abadan Complex PVC plant	480	74	172	26	652
2. Expansion of units at Shahpur Chemical Complex	8,563	100	—	—	8,563
3. Oleofines and aromatics	17,025	50	17,025	50	34,050
4. Plastic softening agents	1,500	50	1,500	50	3,000
5. Caprolactum and ammonia sulphate fertilizer	472	20	1,898	80	2,370
6. Dimethyl triphtalite and polyester	1,200	30	2,805	70	4,005
7. Sterine monomer	112	20	458	80	570
8. Polysterine	135	20	555	80	690
9. Sterine rubber, butadine	352	20	1,410	80	1,762
10. Petro-protein	517	50	517	50	1,034
11. Polypropiline	383	20	1,530	80	1,913
12. Isoprine and polyisoprine	1,823	50	1,823	50	3,646
13. Amino resins	38	10	337	90	375
Total[1]	30,600	50	30,030	50	60,630

1) Expenditures relating to training and housing in connection with the petrochemical industry are included respectively in the Education and Housing chapters.

CHAPTER 10

Mining

1. Basic objectives

The first stage towards exploiting the country's mineral resources and reserves is to identify them. In the Fifth Plan the overall objective of this sector is to integrate mining activities with the industrial sector and other economic activities so as to maximize their effects on the domestic economy.

To this end the following measures will be taken:

a) Geological and cartographic surveys will be carried out over an area of about 700,000 square kilometres not yet geologically surveyed, and geological maps will be prepared on the scale of 1:250,000, 1:100,000 and 1:50,000, as required.

b) Basic mineralogical surveys will be carried out on at least 25 per cent of the country's land surface (about 400,000 square kilometres) on a pricrity basis. These surveys will be in two stages, first preliminary and general prospecting, followed by detailed prospecting in areas where favourable indications are observed.

c) Proven mineral deposits, including copper, iron, coal, lead, zinc and chromite, will be mined and the minerals in question, particularly those not yet exploited, processed and produced for domestic consumption and export, thus directly benefiting the economy. The major mineral deposits in this category are the following:

- the copper deposits of Sarcheshmeh, Miduk, Chahar Gonbad, Abbasabad, and Maragheh;
- the iron ore deposits of Chaghart and Bafq, Tang-e Zagh and Gol Gowhar;
- the coal deposits of Kerman, the Alborz mountain range and Shahrud;
- the deposits of refractory clay and other steel mill materials;
- the lead deposits of Nakhlak and Qanat Marvan;
- chromite deposits;
- the gold deposits of Muteh;
- miscellaneous deposits of other minerals and new discoveries.

2. General guidelines and policies

The general guidelines and policies relating to mining in the Fifth Plan are as follows:

a) to strengthen the financial resources of the State Geological Organization to enable it to obtain the technical personnel and equipment required for its work;

b) to utilize modern methods current in other countries by enlisting the services of qualified foreign firms and consultants to carry out basic mineral exploration;

c) to exploit proven mineral resources by encouraging the private sector and if necessary directly by the public sector;

d) to provide such infrastructural facilities as access roads, water and electricity supplies and transport facilities for minerals and grants towards housing for mining workers;

e) to train and supply technical personnel at various levels, through the public educational system;

f) to provide Government assistance to private mine operators by test drilling to prove deposits, advice on mining techniques and mineral studies;

g) to provide the private sector with Government financial assistance by the establishment of a Mining Fund or by setting up mining departments in existing specialized banks with the mineral reserves acting as collateral security;

h) to review the structure of Iran's mining industry;

i) to review laws and regulations affecting mining so as to create the necessary facilities and encourage the private sector to invest in mining and to promote exports.

3. Specific objectives and programmes

On the basis of the above general principles the mining programme will result in the mining sector achieving the following quantitative objectives:

a) the average annual rate of growth in the value added of the mining sector has been projected at 22.3 per cent at constant prices;

b) the export of mineral ores will increase at an annual rate of 13.7 per cent;

c) the raw materials required by the Aryamehr steel mill, the Sarcheshmeh copper smelter and the direct reduction steel mills will be supplied from domestic sources, and if the feasibility studies relating to the establishment of zinc, lead and ferrochrome smelting and concentrating plants prove positive the raw products required by these plants will also be supplied from domestic sources.

4. Investment and development credits

a) The level of investment in mining, prospecting and geological surveys in the Fifth Plan is expected to be 50 billion Rials, of which about 94 per cent (46.5 billion Rials) will be provided from development credits with the private sector accounting for the remainder.

b) Public sector investment in mining in the Fifth Plan will be for the purpose of fitting out and starting up the Sarcheshmeh copper mine, and mining iron ore, coal and other minerals required by the steel industry, carrying out geological surveys, prospecting, and technical assistance to private mine operators.

c) The Government will allocate from development credits the sum of two billion Rials to establish a Mining Fund or specialized mining departments in existing specialized banks, in the form of loans and equity participation, so as to help the private sector in mining operations. The Government will also directly or in cooperation with the private sector construct access roads to mines, and supply water, electricity and mineral transport facilities.

d) Total development credits for mining will increase from 17.30 billion Rials in the Fourth Plan to 47.35 billion Rials in the Fifth Plan. Table 1 shows total credits for mining and Tables 2 and 3 show investment in mining during the Fifth Plan period.

Table 1. Total credits for mining in the Fifth Plan
(billion Rials)

Programme	Current credits	Development credits			Total credits
		Fixed	Non-fixed	Total	
	(1)	(2)	(3)	(4)=(2+3)	(5)=(1+4)
1. Prospecting and geological surveys	—	8.00	—	8.00	8.00
2. Mining equipment	—	35.50	—	35.50	35.50
3. Technical assistance to mining operations	—	1.00	—	1.00	1.00
4. Financial assistance to private mining operations	—	2.00	—	2.00	2.00
5. General services and supervision	0.85	—	—	—	0.85
Total	0.85	46.50	—	46.50	47.35

Table 2. Fixed investment in mining during the Fifth Plan
(billion Rials)

Programme	Fixed investment						Total
	Public sector			Private sector			
	From development credits	From the resources of public enterprises	Total	From private savings	From development credits	Total	
	(1)	(2)	(3)=(1+2)	(4)	(5)	(6)=(4+5)	(7)=(3+6)
1. Prospecting and geological surveys	8.00	—	8.00	—	—	—	8.00
2. Mining equipment	35.50	0.30	35.80	3.20	—	3.20	39.00
3. Technical assistance to mining operations	1.00	—	1.00	—	—	—	1.00
4. Financial assistance to private mining operations	—	—	—	—	2.00	2.00	2.00
Total	44.50	0.30	44.80	3.20	2.00	5.20	50.00

Table 3. Projected public sector investment in mining in the Fifth Plan
(million Rials)

Project	From development credits	From internal resources of public enterprises	Total
1. Sarcheshmeh mine and flotation plant	20,000	—	20,000
2. Steel Mill mining operations	13,500	—	13,500
3. Geological surveys	1,000	—	1,000
4. Mineral prospecting	7,000	—	7,000
5. Assistance to mining operations	1,000	—	1,000
6 Equipment for public mining operations	2,000	300	2,300
7. Transfer to private sector	2,000	—	2,000
Total	46,500	300	46,800

1) Includes purchase of fixed and mobile drilling rigs, ore concentration equipment for physical and chemical flotation, geophysical and geochemical surveys in order to estimate mineral reserves, and feasibility studies aimed at reducing the risk of investment in mining projects.

CHAPTER 11

Oil

1. Basic objectives

The basic objectives of the oil industry in the Fifth Plan are as follows:

a) to supply the country's domestic requirements of oil products and distribute them systematically in urban and rural areas;

b) to endeavour to achieve an economic balance between the production and consumption of the various oil products with special emphasis on the substitution of natural gas for middle distillates;

c) to penetrate world markets for crude oil and oil products directly by participation in refining, marketing, distribution and sales operations of oil products in major centres of consumption;

d) to conserve the country's oil and gas reserves by strictly supervising the proper development and exploitation thereof and ensuring the optimum development of oil resources located in the various agreement areas;

e) to develop and speed up exploration programmes so as to raise proven reserves as much as possible;

f) to increase the income from oil exports.

2. General Guidelines and Policies

The general guidelines and policies of the oil industry in the Fifth Plan are as follows:

2.1. Exploration

To prepare and implement an oil exploration policy so as to increase and determine proven reserves and ensure strict and regular supervision of the activities of the oil companies in Iran and hence the maximum exploitation of the country's oil resources.

2.2. Posted price

To establish specific criteria to compensate for the effects of inflation and current devaluation as the basis on which the posted price

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* This chapter of the Plan was prepared before the new policy for the exploitation of the country's oil resources. The projections made herein will be implemented with due regard for the said policy.

of crude oil is set and Iran's oil income is calculated, with due regard to probable future changes in world money markets.

3. Specific objectives and programmes

3.1. Consumption

The consumption of oil products in Iran during the Fifth Plan is projected to rise at an average annual rate of 13.2 per cent from 13.2 million cubic metres in 1351 to 24.5 million cubic metres in 1356. Consumption of oil products such as naphta, bitumen and lubricants, which are not used for energy purposes, is projected to increase from 0.6 million cubic metres in 1351 to 2.5 million cubic metres in 1356. Per capita consumption of oil products will increase at an annual rate of 10 per cent from 423 litres 1351 to 680 litres in 1356.

3.2. Refining

In order to supply the requirements of various consumers, refining capacity must be increased during the Fifth Plan period. In 1351 the equivalent of 14 million cubic metres of crude oil (242,000 barrels per day) of the country's total refining capacity was allocated to meeting the requirements of domestic consumption, and it is envisaged that in 1356 this figure will rise to 28.4 million cubic metres (490,000 barrels per day). During the Plan period, in addition to the utilization of refinery capacity now under construction at Abadan, Tehran, Kermanshah and Shiraz, and the Lavan topping-plant, two new refineries will go on stream and construction will begin on two other refineries for entry into service in the Sixth Development Plan.

3.3. Transport of oil products and crude oil

In the Fifth Plan the second Ahwaz-Tehran crude oil pipeline and the Tehran-Tabriz products pipeline, now under construction, will be commissioned. In addition, a sour-line from the No. 2 Ahwaz-Tehran crude oil pipeline, as well as another crude oil pipeline, are scheduled for completion. The projection for total new products pipelines completed in the Plan period is 11,000 kilometre-inches.

3.4. Distribution of oil products

In connection with the distribution of oil products, the construction of about 860,000 cubic metres of new tank-farm capacity is projected, and fuel delivery facilities at airports, ports and Persian Gulf islands will be proportionately expanded.

3.5. Research

The objectives of research programmes are to carry out general and basic oil industry studies, construct the buildings required to expand research laboratories, establish stations for the measurement of air and water pollution, prepare land for research into the efficacy of oil mulches and the use of similar products in agriculture, water wastage and soil stabilization.

3.6. Exploration

The National Iranian Oil Company and other oil companies will in the course of the Fifth Plan take measures to increase the country's proven oil resources, including drilling at least 10 exploratory wells, and geological and geophysical work in the field.

3.7. Production and exports

It is envisaged that oil production will rise during the Fifth Plan period from 302 million cubic metres (5.2 million barrels per day) in 1351 to about 482 million cubic metres (8.3 million barrels per day)* in 1356. Iran's oil exports in the Fifth Plan period will increase from 288 million cubic metres (4.9 million barrels per day) in 1351 to 440 million cubic metres (7.6 million barrels per day)** in 1356.

3.8. Foreign operations

To ensure steady markets in centres of consumption abroad, the National Iranian Oil Company will take the following measures:

— oil exploration and production in the North Sea;

— participation in a new refinery project in West Europe with a throughput capacity of 5.8 million cubic metres per year (100,000 barrels per day);

— participation in other refinery and distribution projects in new markets for a minimum of 17.4 million cubic metres of oil per year (300,000 barrels per day);

— supply of part of the crude oil requirements of the Madras Refinery and a refinery in South Africa;

— increase the country's tanker fleet capacity from 183,500 tons to about one million tons;

— make use of international pipeline projects in consumer countries.

4. Investment and development credits

Projected investment by the oil industry during the Fifth Plan period amounts to 330.6 billion Rials, of which 130.7 billion Rials will be provided from development credits, 60.2 billion Rials will be National Iranian Oil Company investment and 139.7 billion Rials will be invested by the Iranian Oil Operating Companies and other oil companies.

Table 1 shows oil industry credits and Table 2 shows fixed investment in the oil industry during the Fifth Plan period.

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* The maximum possible production.

**The maximum volume of oil capable of being exported.

Table 1. Development credits allocated to the oil sector in the Fifth Plan
(billion Rials)

Programme	Development credits		
	Fixed	Non-fixed	Total
1. Exploration	—	—	—
2. Production and refining	57.6	—	57.6
3. Transport and distribution	27.0	0.1	27.1
4. Research	—	0.4	0.4
5. Non-basic affairs	—	—	—
6. Foreign operations	37.9	—	37.9
7. Investment in affiliated companies	7.7	—	7.7
Total	130.2	0.5	130.7

Table 2. Fixed investment in the oil industry during the Fifth Plan
(billion Rials)

Programme	Fixed investment						
	Public sector			Private sector			Total
	From development credits	From the resources of profit-making and commercial organizations	Total	From private savings	From development credits	Total	
	(1)	(2)	(3)=(1+2)	(4)	(5)	(6)=(4+5)	(7)=(3+6)
1. Exploration	—	0.5	0.5	—	—	—	0.5
2. Production and refining	57.6	—	57.6	—	—	—	57.6
3. Transport and distribution	27.0	—	27.0	—	—	—	27.0
4. Research	—	8.0	8.0	—	—	—	8.0
5. Non-basic affairs	37.9	33.1	71.0	—	—	—	71.0
6. Foreign operations	7.7	18.6	26.3	—	—	—	26.3
7. Investment in affiliated companies	—	—	—	139.7	—	139.7	139.7
Total	130.2	60.2	190.4	139.7	—	139.7	330.1

CHAPTER

12

Gas

1. Basic objectives

The basic objectives of the gas industry in the Fifth Plan are as follows:

a) to make greater utilization of Iran's gas resources to supply a major part of the country's primary energy requirements;

b) to expand gas exports;

c) to make more efficient use of investment in the gas industry.

2. General guidelines and policies

In order to implement the programme for the development of the gas industry during the Fifth Plan the following policies will be implemented:

a) to provide, through the Ministry of Roads and municipal bodies, the maximum facilities for the construction of natural gas pipelines and distribution networks. (In this connection, the regulations limiting the digging up of roads and streets and the laying of pipelines should be modified and the complete cooperation of the Ministry of Roads and municipalities obtained);

b) to encourage the domestic and commercial consumption of natural gas by establishing the necessary facilities to regulate the initial costs of utilizing natural gas;

c) to provide financial facilities, such as arranging for deposits and installation costs and granting bank credits, for various consumers, depending on circumstances;

d) to make up for quantitative and qualitative manpower shortages by raising the level of knowledge of personnel currently employed in the gas industry and training new personnel;

e) to revise tariffs applicable to domestic and commercial consumers and apply rates that vary in accordance with the amount consumed;

f) to establish a system of interruptible gas supply for industrial consumers and power generation, with incentives for such consumers in the form of lower tariffs, so as to regulate consumption and ensure that gas delivery facilities are utilized to the full;

g) to adhere strictly to safety regulations in gas delivery facilities.

3. Specific objectives and programmes

3.1. Consumption of natural gas

The consumption of natural gas for primary energy purposes will increase from 18 per cent of total energy sources in 1351 to 27.5 per cent in 1356, or from three billion cubic metres to almost nine billion cubic metres, as shown in the following table:

Consumer	Quantity consumed (million cubic metres)
Domestic and commercial	580
Rural	50
Power-generation (public and petrochemical)	3,060
Other industries	2,800
Pipeline compressor fuel	240
Oilfields	630
Abadan Refinery	950
Petrochemical industry (steam generation)	490
	8,800

It is envisaged that with the establishment ofurban gas distribution networks domestic and commercial gas consumption will amount to almost 600 million cubic metres in 1356, and that most of this will replace middle distillates (kerosine and gas oil).

3.2. Consumption of liquefied gas

The demand for liquefied petroleum gas (LPG) in Iran will roughly double between 1351 and 1356 to reach 280,000 tons.

3.3. Exports

Projected exports of Iranian gas in 1356 are as follows:

Exports of natural gas to the Soviet Union (through the National Iranian Gas Company)	10 billion cubic metres
Exports of LNG from Gachsaran and Kharg (through an Irano-American-Japanese company)	4 million tons
Exports of LNG from Kangan (through an Irano-American-Japanese company)	7.2 million tons
Exports of LNG from Mahshahr	1.4 million tons
Exports of LNG from Kharg (through the Kharg Chemical Company)	0.3 million tons
Probable exports to Japan of LNG from Qeshm Island	4 to 6 million tons

3.4. Specific projects

In order to meet demand for natural gas in the Fifth Plan it is envisaged that the following projects will be implemented:

- to continue the second phase of the Iran Gas Trunkline project;
- to construct a second gas pipeline to meet rapidly increasing domestic demand;
- to construct a gas pipeline from Qeshm to Bandar Abbas;
- to construct and expand urban gas distribution networks to meet domestic and commercial demand;
- to supply gas to about 50 villages on the route of the Iran Gas Trunkline.

3.5. Specific projects to develop exports

In order to increase gas exports the following projects will be implemented:

- A project to export LNG from Gachsaran, Pazanan, Rag-e Safid and Binak via Kharg Island. This project will be implemented in the form of a joint venture between the National Iranian Gas Company and an American-Japanese company. This project will involve an investment of about 44 billion Rials and the export of about four million tons of gas annually.

- A project for the export of LNG from the offshore exploration area in the Persian Gulf relinquished by DOPCO, via the port of Kangan. This project will be implemented by a joint venture between the National Iranian Gas Company and American-Japanese companies and will involve the export of 7.2 million tons of LNG annually. Investment is expected to be in the order of 50 billion Rials.

- A probable project to export LNG from Qeshm Island.

4. Investment and development credits

Investment in the gas industry in the Fifth Plan is projected at 131.5 billion Rials, including 29 billion Rials from development credits, 55.5 billion Rials through the National Iranian Gas Company and 47 billion Rials through foreign investors.

Table 1 shows Fifth Plan development credits for the gas industry and Table 2 shows fixed investment in the gas industry during the Plan period.

Table 1. Total credits for the gas industry in the Fifth Plan
(billion Rials)

Programme	Current credits	Development credits			Total credits
		Fixed	Non-fixed	Total	
	(1)	(2)	(3)	(4)=(2+3)	(5)=(1+4)
1. Refining	—	1.8	—	1.8	1.8
2. Gathering and transporting	—	24.5	—	24.5	24.5
3. Distribution	—	2.2	—	2.2	2.2
4. Rural distribution	—	0.5	—	0.5	0.5
Total	—	29.0	—	29.0	29.0

Table 2. Fixed investment in the gas industry during the Fifth Plan
(billion Rials)

Programme	Fixed investment						Total
	Public sector			Private sector			
	From development credits	From the resources of public enterprises[1]	Total	From private savings[2]	From development credits	Total	
	(1)	(2)	(3)=(1+2)	(4)	(5)	(6)=(4+5)	(7)=(3+6)
1. Refining	1.8	0.2	2.0	—	—	—	2.0
2. Gathering and transporting	24.5	1.5	26.0	—	—	—	26.0
3. Distribution	2.2	5.8	8.0	—	—	—	8.0
4. Rural distribution	0.5	—	0.5	—	—	—	0.5
5. Preparation and export of LNG	—	47.0	47.0	47.0	—	47.0	94.0
6. Non-basic activities	—	1.0	1.0	—	—	—	1.0
Total	29.0	55.5	84.5	47.0	—	47.0	131.5

1 Investment by the National Iranian Gas Company
2 Investment by American-Japanese companies

CHAPTER 13

Electricity

1. Basic objectives

The basic objectives of the electricity industry in the Fifth Plan are as follows:

a) to meet the electric power requirements of industrial, agricultural, domestic, commercial and miscellaneous consumers;

b) to improve the quality of power supplies, achieve the optimum economic benefits, and reduce generating costs by establishing large-scale generating facilities, centralizing same, and developing the national grid as well as urban and rural distribution networks;

c) to improve the management and organizational structure of the country's electricity industry and increase its efficiency.

2. General guidelines and policies

2.1. Improvement of management and organization of the electricity industry

The guidelines and policies which will be followed in order to improve the management and organization of the electricity industry in the Fifth Plan will be as follows:

a) The efficiency of Iran's electricity industry will be increased by following modern management principles and methods, training managers to administer the electricity industry and placing greater emphasis on modern science and technology.

b) Improved financial and accounting procedures will be introduced on a standardized industry-wide basis.

c) Facilities for the generation, transmission and distribution of electric power will be managed by companies affiliated to the Ministry of Water and Power, so that by the end of the Fifth Plan electricity facilities in all towns, and also villages possessing electricity, are managed by the Ministry of Water and Power. (In implementing this policy, factors such as population and consumption levels may be used to determine priorities in the management of electricity facilities by the electricity companies.)

d) Attention will be paid to the training of electricity industry personnel during the Fifth Plan period so that all such personnel requiring training at the various levels acquire the necessary skills to carry out various projects and manage the country's

entire electricity facilities, and Iranian experts gradually replace foreign specialists, so that at the end of the Fifth Plan the need for such foreign personnel will be reduced to the minimum. In this connection close attention will be paid to the utilization of the following training possibilities:

- utilization of all the training facilities available in Iran for the training of technical personnel required by the country's electricity industry;

- utilization of the electricity industry's specialized training centres;

- training during manufacture, installation and trial operation of facilities for the generation, transmission and distribution of electric power;

- workshop training for workers in electricity companies and enterprises;

- training of experts during periods of cooperation with foreign experts and the establishment of short-term training courses.

During the Fifth Plan period training facilities for the personnel required to establish and operate nuclear power stations will be set up.

2.2. Development of electricity facilities

The policies and guidelines to be followed during the Fifth Plan period for the establishment and development of electricity facilities will be as follows:

a) the development of the electricity industry will take place within the framework of the energy master-plan and in coordination with the development of the supply of other forms of energy;

b) basic studies will be carried out to establish nuclear power stations in Iran;

c) in order to minimize atmospheric pollution in urban and industrial districts, reduce expenditure on fuel for power generation, and consume heavy fuel oil and natural gas in power stations, efforts will be made to establish and concentrate power-generating facilities close to oil refineries, pipelines or natural gas fields;

d) in order to improve operational procedures and reduce generating costs strenuous efforts will be made to standardize power-generating, transmission and distribution facilities throughout the country;

e) the expansion of facilities for the generation and distribution of electric power will be on the basis of distribution master-plans, and it is essential that any investment in distribution networks in towns for which an urban master-plan has been

prepared should be on the basis of the distribution master-plans, and in the case of towns for which no such plan has been prepared, investment shall be on the basis of distribution plans;

f) the implementation of projects for the supply of electricity to rural centres will take place in coordination with other projects for such centres and within the framework of distribution master-plans for rural areas, such rural power facilities to be managed by regional power companies.

2.3. Improved operating methods

The measures recommended for the improvement of methods of operating power facilities shall consist of the following:

a) an increase in the load factor by supplying the needs of industrial and rural consumers;

b) the regular and uninterrupted supply of electric power of the quality required by various categories of consumer;

c) attention to priorities in the consumption of electric power, in the sense that with due regard for the other forms of energy available to customers, electric power should entail the lowest cost to the various categories of consumer, and in terms of investment should produce the greatest economies, so that in the case of domestic and commercial consumption, electricity should be used as little as possible as a fuel for heating water, space-heating and cooking.

2.4. Formulation of electricity tariffs

The continuation of Fourth Plan activities in the field of formulating electricity tariffs is considered essential. In the Fifth Plan prices for electricity will be determined in accordance with the following general principles:

- fixing prices for various categories of consumer on the basis of the cost price and the addition of a reasonable profit;

- obtaining the entire development costs of the electricity industry from the industry's internal resources over a long-term period;

- standardizing prices so as to ensure coordination in the sales price of electricity in various parts of the country.

2.5. Financial resources for investment in electricity facilities

In view of increased efficiency and improved management in the country's electricity industry and the investments that have already been made in the industry it will be possible to obtain the investment funds required for the development of the industry from its own financial resources. Investment in rural electricity facilities will be made from Government funds in view of the high costs and uneconomic nature of such investment.

2.6. Coordination in the supply and demand of various kinds of energy

In order to coordinate the activities of energy industry organizations and pursue a comprehensive energy policy an effective central authority will be established.

3. Objectives of specific programmes

The objectives of specific electricity industry programmes shall be as follows:

3.1. The annual consumption of electric power will grow at an annual rate of 21 per cent from 9,100 million kilowatt-hours in 1351 to 23,790 million kilowatt-hours in 1356. Of this amount it is envisaged that public power companies and enterprises will account for 21,570 million kilowatt-hours in 1356, and the remainder will be generated by the private facilities of industrial enterprises for their own consumption. Thus, the average annual growth of that part of total consumption generated by electricity companies and enterprises affiliated to the Ministry of Water and Power will amount to 27.5 per cent. Per capita consumption of electric power will grow at an annual rate of 17.7 per cent from 292 kilowatt-hours in 1351 to 661 kilowatt-hours in 1356.

Power generated by public facilities will increase from about 8,000 million kilowatt-hours in 1351 to about 25,900 million kilowatt-hours in 1356.

The quantities of power generated by various types of generation in 1356 is projected as follows:

Hydro-electric generation	7,250 million kilowatt-hours, or 28 per cent
Thermal generation	18,650 million kilowatt-hours, or 72 per cent
Total power generated	25,900 million kilowatt-hours, or 100 per cent

3.2. Generating facilities

In order to meet the demands of consumers, the capacity of public-sector power-generating facilities in Iran will be expanded from 2,206 megawatts in 1351 to about 6,200 megawatts in 1356.

In the Fifth Plan period 1,878 megawatts of generating capacity, the purchase and installation of which was begun in the Fourth Plan period, will be commissioned, and the construction of a new generating capacity totalling about 2,351 megawatts will be required. In view of the time required for the construction of power houses and the installation of generating equipment, steps will be taken during the Fifth Plan period to construct about 3,100 megawatts of new generating capacity for commissioning in the Sixth Plan period.

The projected capacities for various categories of generating facilities are given below.

(mega watts)

Type of generation	Situation in 1351		Retired from service	Installation of new generating capacity in Fifth Plan	Total capacity in 1356
	Operational	Under construction			
Thermal	1,403	878	(235)	2,331	4,377
Hydro	803	1,000	(—)	20	1,823
Total	2,206	1,878	(235)	2,351	6,200

3.3. Power transmission network

The power transmission network will be expanded throughout the country during the Fifth Plan period and all centres of generation and consumption will be linked to each other. The total length of power transmission lines will be increased from 3,343 kilometres in 1351 to about 10,000 kilometres in 1356, as follows:

Voltage	Length of line in 1351 (kilometres)		Projected length in 1356 (kilometres)
	Constructed	Under construction	
400 kV	—	—	1,438
230 kV	1,784	1,065	6,231
132 kV	1,559	750	2,309

3.4. Expansion of distribution network

In order to improve the present power distribution networks, ensure maximum reliability and avoid voltage fluctuations, networks will be improved in towns and cities throughout Iran, so that they are capable of handling all urban demands.

3.5. Rural electricity

Electricity will be supplied to rural areas during the Fifth Plan period as part of a long-term programme in order to achieve two objectives: to raise the living standards in rural areas, and for agricultural, irrigation and small-scale industrial use.

In view of the projected growth in consumption and in order to obviate the problems related to the installation of small diesel generator sets, priority will be given to the construction of rural power distribution networks, and diesel generator sets will only be installed in small towns and remote villages which cannot economically be linked to major generating centres by power transmission networks.

The supply of power in rural areas will include all rural development district centres (1,180 in all) and adjacent villages. Rural electricity projects will be implemented in coordination with other projects in the rural development centres according to criteria to be agreed upon between the Ministry of Water and Power and the Ministry of Cooperatives and

Rural Affairs. In addition, it is envisaged that electricity will be supplied to 200 individual villages where the need is considered essential.

4. Investment and development credits

In the Fifth Plan period the projected investment in the electricity industry is 119.5 billion Rials. Of this, it is envisaged that 66 billion Rials will be invested from sales income and provision for depreciation, with the remaining 53.5 billion Rials coming from development credits.

The cost of developing hydro-electric facilities is included in the Development of Water Resources chapter and that of training in the Education chapter.

Table 1 shows credits for electricity and Table 2 shows fixed investment in electricity in the Fifth Plan.

Table 1. Total credits for electricity in the Fifth Plan
(billion Rials)

Item	Current credits	Development credits			Total credits
		Fixed	Non-fixed	Total	
	(1)	(2)	(3)	(4)=(2+3)	(5)=(1+4)
1. Generation	—	21.0	—	21.0	21.0
2. Transmission	—	11.9	—	11.9	11.9
3. Distribution	—	13.1	—	13.1	13.1
4. Rural electricity	—	6.5	—	6.5	6.5
5. Research*	—	0.3	0.7	1.0	1.0
6. Supervision	1.0	—	—	—	1.0
Total	1.0	52.8	0.7	53.5	54.5

* Credits required for manpower training in the electricity industry are included in the Education chapter and those for the development of hydro-electric facilities are included in the Water Resources Development chapter.

Table 2. Fixed investment in electricity in the Fifth Plan
(billion Rials)

Item	Fixed investment						Total
	Public sector			Private sector			
	From development credits	From the resources of public enterprises	Total	From private savings	From development credits	Total	
	(1)	(2)	(3)=(1+2)	(4)	(5)	(6)=(4+5)	(7)=(3+6)
1. Generation	21.0	21.7	42.7	—	—	—	42.7
2. Transmission	11.9	10.4	22.3	—	—	—	22.3
3. Distribution	13.1	33.9	47.0	—	—	—	47.0
4. Rural electricity	6.5	—	6.5	—	—	—	6.5
5. Research	0.3	—	0.3	—	—	—	0.3
6. Supervision	—	—	—	—	—	—	—
Total	52.8	66.0	118.8	—	—	—	118.8

CHAPTER

14

Transport and Communications

1. Basic objectives

In view of the country's social and economic development objectives and the requirements brought about by the development of transport, the basic objectives of communications planning in the Fifth Plan will be as follows:

a) to create the necessary communications infrastructure for the development of land, sea and air transport;

b) to aid the development of suitable regions and industrial, agricultural and touristic poles;

c) to eliminate bottlenecks that are impeding the social and economic development of remote regions of the country.

It follows from these principles that it is not enough simply to construct communications facilities such as roads, railways, ports and airports: attention must also be paid to the problem of maintaining existing facilities, training specialists and improving management techniques.

2. General guidelines and policies

2.1. Guidelines for the construction and maintenance of roads

The guidelines and executive policies relating to the construction and maintenance of roads are as follows:

a) In order to centralize and coordinate transport activities, studies will be carried out in the Fifth Plan relating to the separation in separate organizational units of executive functions affecting construction and maintenance, on the one hand, and functions affecting the determination and implementation of comprehensive transport policies, on the other, and appropriate measures will be taken on the basis of the said studies;

b) In order to prevent damage to roads strict control and supervision of heavy vehicle loaded weights and axle weights will be enforced;

c) Traffic sampling will be carried out on all roads throughout the country;

d) In the case of main highways and specific major bridges which will be built in the Fifth Plan parallel to existing routes, efforts

will be made to recover all or part of the construction costs by means of toll charges;

e) All roads will be built by the Ministry of Roads, but in certain exceptional cases where other Government agencies become involved in road construction in connection with specific projects the specifications and standards of the Ministry of Roads will be followed so that the country's entire road network will be uniform;

f) To avoid excessive expenditure on the purchase of heavy road construction machinery by private contractors, and consequently higher unit prices for road construction operations, it is envisaged that contractors' requirements for such machinery will be met by cooperative rental schemes, the cooperatives to be responsible for the supply and maintenance of the machinery;

g) With the rapid increase in the country's communications network, road maintenance has become an important responsibility, and so as to ensure the proper implementation of this responsibility a complete review of the planning and executive procedures of the Department-General of Road Maintenance will be necessary. In the Fifth Plan comprehensive studies to establish the optimum methods of road maintenance will be carried out, on the basis of which the road maintenance organization in the Ministry of Roads will be strengthened in various ways to enable it to carry out such a heavy responsibility. At the same time, in order to prevent any hiatus in road maintenance affairs, no credits, facilities or technical personnel appertaining to road maintenance will be utilized in the Fifth Plan for road construction purposes.

2.2. Guidelines and policies relating to the railways

Studies will be carried out regarding managing the Iranian State Railways as a commercial corporation observing correct administrative, technical and financial principles, and on the basis of these studies a review will be made of the railways' managerial, planning, marketing and accounting procedures, as well as of the financial relationship between the railways and Government agencies, so that the railways can fulfill their basic role as a major means of communication with greater efficiency.

2.3. Guidelines and policies relating to ports

In view of the considerable investment envisaged in the Fifth Plan for port development and equipment, particular stress will be laid on the question of port management, technical staff training and the supply of the necessary manpower.

Among the main objectives of the Fifth Plan with regard to ports will be to increase the efficiency of the country's commercial ports and to improve the maintenance of port facilities and equipment so as to obtain the maximum return on investments. To achieve these objectives studies will be carried out with regard to separating functions relating to

jurisdiction over ports and shipping affairs from those of utilizing port facilities and cargo handling operations into separate organizational units. Appropriate measures will be taken in the light of the results of these studies.

2.4. Guidelines and policies relating to civil aviation

It will be necessary in the Fifth Plan to make a complete review of the organizational structure and employment regulations of the Department-General of Civil Aviation so as to eliminate difficulties which have been complicating the proper utilization of airports. Studies must also be carried out with regard to separating functions relating to jurisdiction over airport and air transport affairs from those of utilizing airport facilities into separate organizational units. Appropriate measures will be taken in the light of the results of these studies. In view of the importance of proper and timely maintenance of airports, particular attention will be paid to such maintenance. Measures will also be taken in the Fifth Plan to transfer responsibility for some airport maintenance operations to the private sector.

Iranian National Airlines Corporation, which is administered as a commercial enterprise, will be charged for flight fees, landing charges and the utilization of all airports. The Corporation will also repay from its own revenues all sums it draws from Plan credits for the purchase of aircraft.

3. Specific objectives and programmes

3.1. Main roads

At the end of the Fourth Plan the total length of asphalted roads in use amounted to some 12,500 kilometres.

In the Fifth Plan period in view of the need to complete the country's main communication network and ensure the necessary links between principal centres of population, agricultural, industrial and mining poles and their major markets and also to link ports with the hinterland, and provide access to centres of tourism, in addition to finishing incomplete Fourth Plan road construction projects (Table 1) action will be taken to construct a further 5,600 kilometres of new main roads.

New main road projects will be classified in two categories with regard to their priority. The first category (Table 2) consists of 2,900 kilometres of top-priority roads, the construction of which will be completed in the Fifth Plan. The second category (Table 3) consists of 2,700 kilometres of second-priority roads, construction of which will be started in the second half of the Fifth Plan and completed in the Sixth Plan.

It is envisaged that with the implementation of the main road construction programme the total length of completed asphalted main roads at the end of the Fifth Plan will be about 19,000 kilometres.

Table 4 shows the allocation of development credits to the various aspects of the main road programme in the Fifth Plan.

3.2. Feeder roads

In large countries such as Iran, where the main centres of popula-

Table 1. Incomplete Fourth Plan road construction projects scheduled for completion in the Fifth Plan

Project	Length of road (kilometres)	Credits (million Rials)
1. Tehran-Qom (repairs to existing road)	140	150
2. Tehran-Shahrud-Mashhad	570	1,070
3. Bandar Pehlavi-Astara-Ardebil	225	820
4. Tabriz-Ahar-Ardebil-Sarab-Bostanabad	400	1,200
5. Kerman-Bam-Mirjaveh	600	1,200
6. Saqqez-Miandoab-Rezaiyeh-Khoi-Oghlu	390	2,400
7. Na'in-Yazd	180	520
8. Shiraz-Bushehr	100	1,650
9. Karaj-Qazvin Freeway (first two lanes)	100	350
10. Shahabad-Ilam-Mehran	230	900
11. Masjed-e Soleiman-Shushtar junction	42	330
12. Zirab-Shahi	40	100
13. Sanandaj-Hamadan	157	960
14. Darzin-Sabzevaran	61	650
15. Saveh-Ravan	150	300
16. Esfahan-Steel Mill Freeway	25	500
17. Ahwaz-Darkhevin-Abadan	120	1,200
18. Kerman-Zarand	90	400
19. Improvements to Haraz and Chalus roads	—	300
Total	3,620	14,800

Table 2. New Fifth Plan road construction projects scheduled for completion in the Fifth Plan

Project	Length of road (kilometres)	Credits (million Rials)
1. Tehran-Qom Freeway	130	3,600
2. Karaj-Qazvin Freeway (second two lanes)	100*	1,500
3. Tehran-Gachsar and Karaj-Chalus	210	3,780
4. Tehran-Rudhen-Damavand-Abali (two lanes)	73	800
5. Damavand-Firuzkuh-Zirab	150	1,800
6. Tehran approach and ring roads	100	1,500
7. Tabriz-Miandoab and Banab-Maragheh	190	1,130
8. Sarbandar-Bandar Shahpur	12	120
9. Rafsanjan-Sarcheshmeh-Khatunabad	100	800
10. Sirjan-Shahr-e Babak-Anar	200	1,250
11. Rudan-Sabzevaran	173	1,500
12. Na'in-Kashan	227	1,280
13. Ramsar-Sari (widening and bridge construction)	260*	520
14. Approach roads and bypasses for towns on main routes	250	2,500
15. Top surfacing of Yazd-Kerman road	320*	800
16. Mashhad-Gonabad-Birjand	500	1,750
17. Qazvin-Bo'in-Saveh	150	920
18. Shiraz-Darab-Kahgom	430	2,100
19. Contingency operations	—	1,250
Total	2,900	28,700

* Because the length of this road is included elsewhere or is an existing road its length is not included in the total.

Table 3. Projected new Fifth Plan road construction scheduled for completion in the Sixth Plan

Project	Length of road (kilometres)	Total credits (million Rials)	Fifth Plan credits (million Rials)
1. Esfahan-Ahvaz	240	3,120	1,870
2. Ahvaz to Shiraz-Bushehr road	260	1,820	1,090
3. Babolsar-Farahabad	50	500	300
4. Ahvaz-Shushtar-Dezful-Andimeshk	185	1,110	555
5. Mianeh-Miandoab	200	2,000	1,000
6. Arak-Khomein-Golpayegan and Khomein-Mahallat	150	1,050	525
7. Shahpasand-Cheheldokhtar	85	510	205
8. Mianeh-Fuman	200	4,000	1,600
9. Esfahan-Azna to Hamadan-Khorramabad route	310	1,550	465
10. Quchan-Bajgiran	80	800	240
11. Caspian coast highway	320	4,500	700
12. Zahedan-Zabol-Birjand	445	1,560	250
13. Meshginshahr-Parsabad	175	1,360	200
Total	2,700	23,870	9,000

Table 4. Projected development credits for Fifth Plan main road programme (million Rials)

Item	Credits
1. Completion of Fourth Plan projects	14,800
2. Construction of new roads	
- roads to be started and completed in Fifth Plan period	28,700
- roads to be started in Fifth Plan and transferred to Sixth Plan	9,000
3. Studies, research and statistics	1,500
Total	54,000

tion and consumption are widely separated from the main regions of production, feeder roads play an important role in linking agricultural, industrial and mining regions, opening up forest areas, and raising cultural and health standards in rural areas.

At the end of the Fourth Plan the total length of completed feeder roads was about 12,000 kilometres. In the Fifth Plan, in addition to completing feeder road construction operations started in the Fourth Plan, work will begin on 12,000 kilometres of new feeder roads. Of this total, 7,500 kilometres will be completed in the Fifth Plan and the remaining 4,500 kilometres will be transferred to the Sixth Plan. In the case of a number of previously completed feeder roads, or feeder roads scheduled for completion in the Fifth Plan, the roads of which are of provincial or urban district significance and which have attracted relatively heavy traffic, measures will be taken to prevent such roads from being damaged. Thus it is envisaged that 4,000 kilometres of roads completed in earlier Plans, and 3,000 kilometres of new feeder roads, will be surfaced. (Table 5)

Table 5. Projected Fifth Plan feeder road programme

Item	Length of road (kilometres)	Credits allocated (million Rials)
1. Completion of unfinished Fourth Plan projects	3,500	6,400
2. Construction of new roads:		
- roads scheduled for completion in the Fifth Plan	7,500	15,000
- roads scheduled to be started in the Fifth Plan and completed in the Sixth Plan	4,500	5,700
3. Repair and surfacing of feeder roads built in earlier Plans	4,000	2,800
4. Surfacing of Fifth Plan feeder roads	3,000	1,200
5. Studies and research	—	900
Total		32,000

3.3. Road maintenance

In view of the heavy investment made in previous Plans for the construction of main and feeder roads, proper and timely maintenance of and repairs to existing roads will be accorded top priority. Total investment funds from development credits for capital expenditure on road maintenance during the Fifth Plan are projected at 10 billion Rials, as shown in Table 6. Parallel with this programme and in addition to utilizing machinery already purchased, the road maintenance budget will be proportionately increased from the Government current budget. At the same time provision has been made in the Education chapter for the training of technical personnel for the road maintenance programme in the Fifth Plan.

Table 6. Road maintenance programme in the Fifth Plan

Item	Credits (million Rials)
1. Completion of unfinished Fourth Plan projects and re-asphalting of 3,000 kilometres of new roads by contractors	6,500
2. Supply of road maintenance machinery for the Ministry of Roads	3,500
Total	10,000

3.4. Railways

The Fifth Plan includes provisions for railway development in view of the necessity for supplying materials for the Aryamehr Steel Mill complex, the volume of foreign trade transactions and the need to link the Trans-Iranian Railway system with the ports.

The main activities relating to railways in the Fifth Plan are the following:

a) Completion of unfinished Fourth Plan projects

These projects consist of the purchase of rail materials, rolling

stock and locomotives, the reconstruction and replacement of obsolescent line, and the electrification of the Tabriz-Jolfa line. The credits required for the completion of unfinished Fourth Plan projects in the Fifth Plan amount to 7,700 million Rials, of which 4,000 million relate to the purchase of equipment and the renovation of existing track, which will be repaid by the Iranian State Railways.

b) Expansion of the Steel Mill railway links

In view of the programme for the expansion of the Aryamehr Steel Mill complex, the capacity of which will rise to 1.9 million tons per year by the end of the Fifth Plan, the capacity of the Zarand-Steel Mill line will be proportionately increased. Thus, on the basis of the results of feasibility studies now in hand, the existing line will be doubled or electrified. Credits allocated for the implementation of this programme amount to 5,000 million Rials.

c) Zarand-Kerman-Bandar Abbas line

Construction of this line, measuring about 730 kilometres of main and spur lines running from Zarand to Kerman and Bandar Abbas, will be implemented after detailed feasibility studies have been carried out with regard to the level of ore exports.

The cost of constructing this line and equipping communications facilities and electric signalling is estimated at 12,000 million Rials, as provided for in the Fifth Plan.

d) Farahabad-Sari line

In view of the increasing volume of trade transactions via the Caspian Sea in the Fifth Plan the construction of a new Caspian port (Farahabad) is to be given priority, and the construction of a 50-kilometre railway between Sari and Farahabad, which will link the port to the Trans-Iranian Railway system, will be necessary.

Projected Fifth Plan credits for the construction of this line have been set at 600 million Rials.

e) Construction of crossings

In towns on the route of earlier railway lines the absence of crossings has caused great difficulties for the inhabitants. To solve this problem the Fifth Plan envisages the construction of the necessary crossings.

Projected Fifth Plan credits for the construction of crossings have been set at 700 million Rials.

f) Bandar Shahpur freight station

In view of the projected increase in the capacity of Bandar Shahpur during the Fifth Plan period and the important role that the railways play in transport of import and export consignments, a freight sta-

tion will be constructed at this port. The projected cost of this project is about 200 million Rials. and this amount has been included in Fifth Plan credits.

g) Construction of a new customs house

Since the present capacity of the Tehran customs is totally inadequate for the volume of imports arriving in Tehran by rail, and for numerous reasons there is no room for expansion at the present site, the construction of a new customs house, including an associated freight station, outside the limits of the city of Tehran is envisaged. The required credits for this project are included in the Government Buildings chapter.

Provision for training railway personnel, including technical staff, has been made in the Education chapter.

Credits for individual items of the Fifth Plan railway programme are given in Table 7.

Table 7. Fifth Plan credits for the railway programme

Item	Total credits (million Rials)
1. Fourth Plan commitments	7,700
2. Expansion and equipment of steel mill railway	5,000
3. Zarand-Kerman-Bandar Abbas	12,000
4. Sari-Farahabad line	600
5. Railway crossings in urban areas	700
6. Bandar Shahpur freight station	200
7. Studies and research	800
Total	27,000

3.5. Ports and shipping

Iran's future economic growth and the connection between this growth and the volume of trade transactions lead to a projected volume of imports and exports of 9.7 million tons in 1356, rising to 13.3 million tons in 1359.

Since about 80 per cent of Iran's foreign trade is routed through its sea ports this means that required port capacity will be 7.75 million tons by the end of the Fifth Plan period. It is also projected that imports and exports of mineral ores and cement will account for about 2.5 million tons of this total.

The objectives of the ports and shipping development programme will be first to ensure that the capacity required in 1356 will be ready for service, and secondly to take steps to see that the capacity required in the early years of the Sixth Plan will be completed in time.

The main projects in the Fifth Plan programme for ports and shipping development are as follows:

a) Completion of unfinished Fourth Plan projects

The main Fourth Plan projects that are scheduled for completion and commissioning in the Fifth Plan consist of the construction of repair facilities, warehouses and miscellaneous facilities at Bandar Abbas, the deepening of the Bushehr ship canal and the construction of warehouses, offices and a new four-berth jetty at Bandar Shahpur, the expansion of the ports of Bandar Pahlavi and Nowshahr and the purchase of cargo-handling equipment at all ports.

It is envisaged that credits amounting to about 5,500 million Rials will be required during the Fifth Plan to complete these projects.

b) Ten new berths at Bandar Shahpur

In addition to the four berths now under construction at Bandar Shahpur work will be started on ten new berths at this port. In addition, in order to facilitate the rapid unloading and distribution of imported grain a 60,000-ton transit silo will be built at Bandar Shahpur.

The cost of constructing and fitting out the ten new berths and the grain silo is estimated at 6,000 million Rials, and this amount has been included in Fifth Plan credits.

c) Other projects relating to the development of commercial ports

Other measures that will be implemented during the Fifth Plan period, such as the mineral ore loading facilities at Bandar Abbas, temporary grain storage facilities and the construction of a new Caspian port, Farahabad, will be carried out on the basis of the ports master plan now being prepared.

Projected Fifth Plan credits for carrying out all these projects amount to 9,500 million Rials.

d) Development of small ports and islands in the Persian Gulf and Sea of Oman and establishment of shipping lines

In order to help the development of small ports and islands in the Persian Gulf by building breakwaters and jetties and also to establish shipping lines along the Persian Gulf and Sea of Oman credits totalling 2,000 million Rials are envisaged in the Fifth Plan.

e) Creation of free port

Studies regarding the establishment of a free port in south Iran are now in progress and measures will be taken in the Fifth Plan to create such a port. This will involve investment on the part of the specialized banks and the private sector.

f) Port training programme

Provision has been made in the Education chapter for the training programmes of the Ports and Shipping Organization and the Im-

perial Iranian Navy, including the training of the personnel required for ports and shipping duties at various levels.

Table 8 shows Fifth Plan credits for ports and shipping.

Table 8. Projected Fifth Plan programme for ports and shipping

Item	Total credits (million Rials)
1. Completion of unfinished Fourth Plan projects in the Fifth Plan period	5,500
2. Construction of 10 new berths at Bandar Shahpur and a transit grain silo	6,000
3. Other projects relating to the development of Iran's commercial ports	9,500
4. Development and equipment of small ports and islands in the Persian Gulf and establishment of shipping lines	2,000
5. Studies and research	1,000
Total	24,000

3.6. Airports and civil aviation

With respect to airports and civil aviation the Fifth Plan takes into account the increasing volume of air traffic and the country's growing needs for airports and aviation facilities and equipment.

The provisions of the Fifth Plan with regard to airports and civil aviation consist of the following main divisions:

a) Completion of unfinished Fourth Plan projects

Some airport construction work, such as the construction of Esfahan airport and the expansion of Mehrabad airport, and also the supply and installation of airport equipment at airports now under construction will be completed in the course of the Fifth Plan.

The credits required for the completion of these projects in the Fifth Plan have been projected at 2,300 million Rials.

b) Expansion of existing airports

The rising volume of air transport and the increase in airport traffic, coupled with the introduction of new types of aircraft, both civil and military, necessitates the expansion and re-equipment of existing airports, in terms of both terminal and runway facilities, during the Fifth Plan period. Credits totalling 7,200 million Rials are projected for this purpose.

c) Construction of new civil airports

Construction work on a new international airport for Tehran, which is scheduled for entry into service in 1359, will begin in the Fifth Plan and be completed in the Sixth Plan.

Projected Fifth Plan credits for the construction of this airport amount to 6,000 million Rials.

In the case of domestic airports, in view of the planned expansion of Iran Air's network, action will be taken to construct airports at Babolsar and Gorgan and complete the airport at Nowshahr. Projected credits for the completion of all these projects amount to 1,200 million Rials.

d) Construction of small airports

In order to develop air transport and airmail services between provincial centres and important provincial towns and to facilitate links between major industrial and agricultural poles, steps will be taken in the Fifth Plan to establish a network of Category 2 and 3 local airports. Once these have been completed the establishment and operation of regular air services between local airports and cities on Iran Air's main domestic routes will become the responsibility of the private sector.

Projected Fifth Plan credits for the construction of small airports throughout the country amount to 1,000 million Rials.

e) Major repairs to existing airports

During the Fifth Plan period several existing airports will require major repairs and credits totalling 600 million Rials are envisaged for this purpose.

f) Purchase of Concorde SST's

In view of the Government's policy and decision with regard to the purchase of three Concorde SST aircraft for Iran Air, the Fifth Plan envisages a credit of 5,400 million Rials for this purpose.

Table 9 shows Fifth Plan credits for airports. In addition, the necessary provision has been made in the Education chapter for the training of civil aviation technical personnel at the Institute of Civil Aviation and the Imperial Aero Club.

3.7. Meteorology

The main objectives of the Fifth Plan with regard to meteorology are the following:

Table 9. Fifth Plan credits for airports

Item	Total credits (million Rials)
1. Completion of unfinished Fourth Plan projects	2,300
2. Expansion of existing airports	7,200
3. Construction of new airports:	
- Tehran International Airport	6,000
- Other airports	1,200
4. Construction of Category 2 and 3 local airports	1,000
5. Major repairs to airports	600
6. Purchase of Concorde SST's	5,400
7. Studies and Research	800
Total	24,500

a) to continue and complete the construction of the meteorology centre at Mehrabad;

b) to construct and equip airport observation towers;

c) to construct and equip a meteorological telecommunications transmitter at Bandar Abbas;

d) to implement meteorological programmes to prevent atmospheric pollution;

e) to construct and equip radar and upper atmosphere observation towers at five airports;

f) to construct and equip meteorological centres in seven parts of the country;

g) to construct and equip rain and evaporation gauging stations;

h) to construct and equip 15 climatological stations and agricultural meteorological stations;

i) to install transmitters in meteorological centres so as to complete the meteorological telecommunications networks;

j) to establish four synoptic stations and four marine synoptic stations;

k) to establish a number of automatic meteorological stations.

Projected Fifth Plan credits for the completion of these programmes amount to 2,000 million Rials. In addition, the necessary provision has been made in the Education chapter for the training of technical staff and meteorologists.

3.8. Cartography

In view of the importance that the availability of accurate large-scale maps has on the proper implementation of the technical and engineering aspects of development projects, measures will be taken in the Fifth Plan to complete general cartographic work to a scale of 1:50,000 and to prepare larger scale maps in accordance with programmes designed to meet both civil and military needs. Action will also be taken as required in the Fifth Plan to prepare cadastral and agro-cadastral surveys.

Projected Fifth Plan credits for the implementation of all these projects amount to 3,100 million Rials, and provision has been made in the Education chapter for the training of the technical personnel required.

4. Investment and development credits

Total Fourth Plan credits for the communications sector amounted to 99.9 billion Rials (comprising 84.7 billion Rials from the Development Budget and 15.2 billion Rials from the Current Budget.) The Fifth Plan total for the sector will be 196.8 billion Rials.

Table 10 shows the breakdown of total Fifth Plan credits for the sector into individual items.

Table 11 shows total projected fixed investment in communications by the public and private sectors.

Table 10. Total Fifth Plan credits for communications (billion Rials)

Programme	Current credits	Development credits			Total credits
		Fixed	Non-fixed	Total	
	(1)	(2)	(3)	(4)=(2+3)	(5)=(1+4)
1. Main roads	1.0	54.0	—	54.0	55.0
2. Feeder roads	0.3	32.0	—	32.0	32.3
3. Road maintenance	11.1	10.0	—	10.0	21.1
4. Railways	0.9	27.0	—	27.0	27.9
5. Ports and shipping	—	24.0	—	24.0	24.0
6. Airports and civil aviation	4.8	24.5	—	24.5	29.3
7. Meteorology	0.9	2.0	—	2.0	2.9
8. Cartography	1.2	3.1	—	3.1	4.3
Total	20.2	176.6	—	176.6	196.8

Table 11. Fixed investment in communications during the Fifth Plan period (billion Rials)

Programme	Fixed investment						Total
	Public sector			Private sector			
	From development credits	From the resources of public enterprises	Total	From private savings	From development credits	Total	
	(1)	(2)	(3)=(1+2)	(4)	(5)	(6)=(4+5)	(7)=(3+6)
1. Main roads	54.0	—	54.0	—	—	—	54.0
2. Feeder roads	32.0	—	32.0	—	—	—	32.0
3. Road maintenance	10.0	—	10.0	—	—	—	10.0
4. Railways	27.0	1.8	28.8	—	—	—	28.8
5. Ports and shipping	24.0	1.0	25.0	2.5	0.3	2.8	27.8
6. Airports and civil aviation	24.5	5.0	29.5	1.0	0.2	1.2	30.7
7. Meteorology	2.0	—	2.0	—	—	—	2.0
8. Cartography	3.1	—	3.1	—	—	—	3.1
Total	176.6	7.8	184.4	3.5	0.5	4.0	188.4

CHAPTER

15

Telecommunications

1. Basic objectives

The basic objectives for telecommunications in the Fifth Plan are the following:

a) **Telephones, telegraphy, telecommunications routes**

- to increase the number of automatic telephones in the country to the level of 33 telephones per thousand population at the end of the Fifth Plan;
- to connect telecommunications satellites to the international dialling system and the domestic STD system so as to enable direct dialling between Iran and foreign countries;
- to expand the STD system in Iran and establish an automatic domestic and international telegraph system;
- to complete the country's international automatic links so that Iran becomes one of the most reliable routes for telecommunications traffic from neighbouring countries and other countries find it preferable to route their traffic to countries neighbouring Iran through Iran's international and domestic systems;
- to speed up and increase the volume of traffic and emphasize efficiency and good management so that the Iran Telecommunications Company is capable of meeting its current and capital expenditure from its own resources or borrowings;
- to provide regular and highly reliable telecommunications services, and set reasonable tariffs so as to raise the volume of traffic and ensure greater utilization of facilities.

a) **Broadcasting**

In the Fifth Plan stress will continue to be laid on the expansion of the broadcasting network. By continuing outstanding Fourth Plan projects the country's medium-wave radio coverage will be completed. The short-wave network will be effectively established and put into operation so that the Voice of Iran is heard more effectively abroad. In addition to this quantitative expansion of networks and facilities attention will also be paid to quality and the content of programmes broadcast. Efforts will therefore be made to ensure that the country's broadcasting system becomes one of the most effective of the mass media, preparing and transmitting suitable programmes and thus providing the various sectors of the public with the necessary communications, in keeping with the envisaged objectives for the country's educational, cultural, social and artistic development.

c) **Postal services**

The country's postal services will enter a new phase of qualitative improvement in the Fifth Plan. The introduction of mechanized sorting systems, the expansion of postal centres and the distribution and collection network, the installation of new equipment and the strengthening of personnel will enable the country's postal system to play its effective role down to the village level.

2. General guidelines and policies

The general guidelines and policies of the Fifth Plan with regard to telecommunications are as follows:

a) **Telephones, telegraphy, telecommunications routes**

- to maintain operating standards and raise the efficiency levels of telecommunication units;
- to lay greater stress on training programmes, the strengthening of technical personnel and the transfer of responsibility to them and to endeavour to replace foreign specialists with Iranian personnel;
- in order to enable the Iran Telecommunications Company to operate viably all Government agencies using its services will pay for the lease of telecommunications facilities;
- in view of Iran's growing dependence on the electronic industry, there is an urgent need to establish a domestic electronics industry. The Iran Telecommunications Company and other telecommunications enterprises must therefore play an important role, with effective cooperation in the field of research from the universities, in the correct development of this industry.

b) **Broadcasting**

- the country's broadcasting network will be strengthened quantitatively and qualitatively;
- priority will be given to improving the quality and content of programmes;
- in order to achieve the country's educational, cultural, social and political objectives all relevant units will undertake specific responsibilities to coordinate their activities towards programmes.

In view of the basic objectives for broadcasting and the need for a balance between quantitative and qualitative activities, the facilities and equipment required to raise broadcasting hours throughout the country will be increased, so that parallel with the mobilization of specialized manpower, improved programme planning and management, and the expansion of training and research activities, all broadcasting facilities can be effectively utilized.

At the end of the Fourth Plan television coverage was 50 per cent of the country. Studies show that in practice about 20 per cent of the popu-

lation of the areas covered have access to television programmes. As one of the main reasons for this state of affairs is the high price of television sets, the existing laws will be reviewed and a policy introduced of effectively supervising the production costs and retail price of television sets, standardizing sets wherever possible and facilitating the sales of television sets to low-income groups.

c) **Postal services**

- free postal services will be abolished;

- in view of the need for greater dynamism in the administrative and financial branches of the postal services and in the decision-making related to the effective utilization of facilities and the implementation of large-scale postal development projects the organizational structure of the postal services will be reviewed as necessary.

3. Specific objectives and programmes

The most important objectives and programmes in the field of telecommunications are as follows:

a) **Telephones, telegraphy, telecommunications routes**

- to increase the capacity of the country's telephone system from 430,000 lines to 1,130,000 lines;

- to increase the number of towns with automatic telephone exchanges from 44 to 95;

- to establish STD facilities between 69 towns;

- to establish domestic and international automatic telegraphic facilities;
- to increase the capacity of microwave telecommunications channels by 50 per cent of initial capacity;

- to install and commission in 1352 a second telecommunications antenna beamed on an Indian Ocean satellite;

- to establish an international direct dialling system;

- to establish and expand the telecommunications network so as to link all points with a population of 5,000 or more;

- to create troposcatter axes between Iran and Bahrain, and improve existing telecommunication links with Afghanistan;

b) **Broadcasting**

- to improve the quality and content of programmes and carry out research to determine the best methods of preparing programmes;

- to endow programmes with greater purpose and expand studio

facilities for the production of programmes;

- to train manpower and carry out research projects;
- to expand network television (Channel 1) coverage from 50 per cent to 60 per cent of the population;
- to expand Channel 2 television coverage to 40 per cent of the population;
- to expand Radio Iran's main programme coverage to 100 per cent of the population;
- to expand Radio Iran's second programme coverage to 50 per cent of the population;
- to expand the coverage of the Voice of Iran in foreign countries;

c) **Postal services**

- to introduce mechanized sorting facilities in eight main postal centres: Mashhad, Zahedan, Kerman, Shiraz, Esfahan, Ahwaz, Hamadan and Tabriz;
- to develop the postal transport network so as to speed up dispatch and distribution facilities;
- to expand postal training schools in nine centres to a total capacity of 10,000 trainees;
- to establish a financial postal service including a postal order and post-office savings system;
- to increase the number of post-offices from 269 in urban areas and 569 in rural areas to 862 and 1,182 respectively, that of sub-post-offices from 621 to 717, and that of post-office boxes from 9,350 to 25,350, to establish 245 letter delivery stations and 30 mobile post-offices, to increase training from 2,500 to 12,500 persons, and to raise recruitment from 6,200 to 15,400;
- to deliver postal items to addressees in and between towns with a population of 25,000 or more within 24 hours, and in the case of towns with a population of less than 25,000 within 48 hours, and between any two points in the country, however smaller, within 96 hours;
- to expand international postal relations so as to increase the number of postal exchanges.

4. Investment and development credits

Total credits will increase from 54,440 million Rials in the Fourth Plan to 62,800 million Rials in the Fifth Plan. Table 1 shows the distribution of such credits and Table 2 shows fixed investment by the public sector in telecommunications in the Fifth Plan period.

Fixed investment relating to training is included in the Education chapter.

Table 1. Total Fifth Plan credits for telecommunications
(million Rials)

Programme	Current credits	Development credits			Total credits
		Fixed	Non-fixed	Total	
	(1)	(2)	(3)	(4)=(2+3)	(5)=(1+4)
1. Local telephones	—	7,600	—	7,600	7,600
2. Main telecommunications lines	—	8,560	—	8,560	8,560
3. Secondary telecommunications lines	—	230	—	230	230
4. Telegraphy	—	800	—	800	800
5. International telecommunications	—	490	—	490	490
6. Research	—	180	450	630	630
7. Broadcasting	12,700	11,900	1,500	13,400	26,100
8. Postal services	5,500	6,500	6,390	12,890	18,390
Total	18,200	36,260	8,340	44,600	62,800

Table 2. Fixed public sector investment in telecommunications in the Fifth Plan period
(million Rials)

Programme	Fixed public sector investment		
	From development credits	From the resources of public enterprises	Total
	(1)	(2)	(3)=(1+2)
1. Local telephones	7,600	18,230	25,830
2. Main telecommunications lines	8,560	300	8,860
3. Secondary telecommunications lines	230	1,070	1,300
4. Telegraphy	800	640	1,440
5. International telecommunications	490	500	990
6. Research	180	—	180
7. Broadcasting	11,900	—	11,900
8. Postal services	6,500	—	6,500
Total	36,260	20,740	57,000

Fixed investment relating to training is included in the Education chapter.

CHAPTER

16

Rural Development

1. Basic objectives

In order to develop to the full welfare services and facilities in rural areas, rural development has been codified in the Fifth Plan on the basis of the following two objectives:

a) to distribute equitably investment and services of a welfare and infrastructural nature so as to ensure the greatest coverage possible, reduce the vast number of villages and lay the foundations of tomorrow's towns;

b) in achieving the above objective, to utilize existing facilities of the full by expanding comprehensive educational programmes available to rural society so as to make it conducive to modern concepts and thus ensure steady development of rural areas and strengthen the basis of national culture and independence.

2. General guidelines and policies

In order to achieve the objectives for rural development in the Fifth Plan the following policies will be implemented:

2.1. Participation by local authorities

Adequate facilities will be made available for the greatest possible participation by village, urban district, provincial and regional educational councils, and other local organizations, in development measures affecting their region. Following the principle of decentralization these facilities were previously provided by carrying out integrated projects at the provincial level and these will be continued. At the same time personnel of executive agencies will also be strengthened at the provincial level to enable them to implement local projects more rapidly.

2.2. Establishment of development areas

Rural cooperatives and village councils will establish councils for cooperative and village council affairs in development areas by sending their representatives to area centres where the general and joint problems of villages in the area can be studied and joint action and supervision of their affairs can be carried out.

2.3. Coordinated distribution of service personnel

Service personnel of the various executive agencies will be distributed with the utmost coordination at the provincial level in proportion to the area and needs of the development areas.

2.4. Transfer of land

Land destined for the establishment of welfare facilities in development area centres will be transferred free of charge, with due regard for projected future expansion.

2.5. Local cooperation

In order to create employment and help raise the incomes of the rural population, use will be made of available local workers, especially new settlers.

Thus, some 100,000 new jobs will be created in the rural construction sector in the Fifth Plan, which will provide work for about 10 per cent of the active workforce of settler families.

3. Specific objectives and programmes

a) In order to attain the first basic objective, measures will be taken, within the framework of the general guidelines and policies, to establish rural development areas. Each area will consist of a number of villages within a specific area. In this area one village will be selected as the area centre with due regard for the following overall criteria:

- population growth trend between the years 1345 and 1350;
- a high level of agricultural and livestock production;
- the existence of facilities for the establishment or development of local administrative organizations;
- the existence of travel, banking and shopping services or available land suitable for the establishment of such services;
- a central geographic position, making it a suitable base for providing services to other villages in the area.

Within the boundaries of the area a number of villages with a population of at least 250 will be declared satellite villages with due regard for their accessibility to the area centre.

In development area centres, projects will be implemented simultaneously for a potable water supply, a clinic, a primary and a secondary school, rural crafts institutes, a public bath-house, simple sports facilities, electricity, a cooperative warehouse, organizational housing, housing for villagers, administrative offices and other necessary facilities.

In the satellite villages projects for a potable water supply, access roads and a primary school will be implemented. These villages will be able to obtain their other requirements from the area centre.

Small remote villages with a population of under 250 will be provided with educational services and if necessary water purification projects will be implemented. They will obtain their other needs from larger villages nearby.

On the basis of studies that have been carried out the establishment of 1,200 development areas, consisting of 14,000 villages and a total population of about 10 million, is envisaged in the Fifth Plan

The limits of the development areas in various parts of the country will vary in relation to the degree of remoteness of the villages in each region, and the quality of the projects in each region will also vary in scale. The development areas will as far as possible be situated in regions where farming corporations and rural producers' cooperatives have been established.

The formation of development areas is proposed for the following reasons:

- About 57 per cent of the total population live in 66,000 rural centres. Of these, 74 per cent live in 18,000 villages with a population of over 250, while the remaining 26 per cent live in 48,000 villages with a population of under 250. By concentrating development activities in the larger villages a larger proportion of the rural population will be able to benefit from welfare facilities.

- Population migration from smaller villages to larger villages and towns will be stabilized, thus checking undesirable migration from rural to urban areas. It is envisaged that this will later lead to a favourable situation for the natural amalgamation of small centres into larger ones.

- Clear criteria and specific methods will be established for the provision of rural services. This will prevent the wastage of investment in villages that will at a later date be merged with larger centres. At the same time, by utilizing the efforts of development specialists in regions that are suitable for development and in the larger villages the maximum use will be made of these efforts.

- It will be easier to supply services to villages from development area centres. Among the main services involved in the social sphere are medical insurance, rural nutrition programmes and family planning programmes, and in the economic sphere the development of handicraft industries.

- The establishment of development areas will also enable rural development facilities to be established on a larger scale. Thus it is envisaged that compared with the Fourth Plan the number of potable water projects will be six times as many, that of electricity projects 12 times as many, that of road projects eight times as many, and that of clinic projects twice as many.

b) The following programmes will enable the second basic objective to be obtained:

- Introducing villagers to modern techniques and skills by means of technical and vocational training, which will help train skilled and semi-skilled agricultural workers, electricians, mechanics and other categories of workers required in rural areas. These training programmes will also cater for newly-settled young persons.

Parallel with these training programmes, Government officials at various local levels, such as the staff of rural cooperatives and agricultural and animal husbandry extension workers, will also receive the requisite specialized training.

- Training of local councillors and village activists, in order to help instill in them a belief in the principles of cooperation and the desire to put these principles into action and work for progress and development; and at the same time by understanding the real principles of political democracy they will better realize the concepts of the Revolution of the Shah and the Nation.

In the Fifth Plan some half a million villagers engaged in various village organizations will receive such training on short-term courses, most of which will be held in rural development area centres.

These courses will be conducted in simple language principally by means of mass media.

- Briefing sessions. In order to explain the objectives of rural development programmes, discuss economic and social problems, analyze the specific potentials of a given region and achieve the required degree of coordination in rural services, some 11,000 persons will attend seminars and short-term briefing courses during the Fifth Plan period. The participants will include village councillors, representatives of cooperatives and farming corporations, urban district and provincial councils, Government development workers, governors and district governors, Revolutionary Corpsmen and heads of departments concerned, such as Revolutionary Corps supervisors.

This training will be provided at centres to be known as rural development research and briefing institutes, which will be established experimentally for the first time in the provinces of Khorasan, Gilan, Kermanshah, Esfahan and the Persian Gulf Coast. These institutes will carry out studies relating to development activities and will be in constant touch with the rural population and rural development workers, and will coordinate their training programmes with the needs of the rural population. In doing so, it will be assisted by all the organizations in the region such as planning bureaus, Government offices, and training and research bodies.

Training programmes will also be carried out with the cooperation of local broadcasting stations.

Literacy programmes at the kindergarten, primary school, secondary school and adult course levels will also help to promote the objectives of the rural development programme, particularly since during the Fifth Plan the curricula of these literary programmes will be coordinated with cultural and social objectives, and vocational and job requirements in rural areas.

In the Fifth Plan technical and vocational training in rural areas will be at a level two and a half times what it was in the Fourth Plan, briefing sessions will be 18 times as many, and specialists training for Government personnel will triple.

4. Investment and development credits

Total credits for rural development will increase from 11.7 billion Rials (10.6 billion Rials from development credits and 1.1 billion Rials from the Ordinary Budget) in the Fourth Plan to 37.8 billion Rials in the Fifth Plan. Table 1 shows total credits and Table 2 shows fixed investment in rural development during the Fifth Plan.

Table 1. Total credits for rural development in the Fifth Plan (billion Rials)

Programme	Current credits	Development credits			Total credits
		Fixed	Non-fixed	Total	
	(1)	(2)	(3)	(4)=(2+3)	(5)=(1+4)
1. Supply of potable water	—	18	—	18	18
2. Rural roads	—	12*	—	12	12
3. Sanitary facilities (public baths, mortuaries, slaughter-houses)	—	1	—	1	1
4. Educational and rural research centres	—	1	—	1	1
5. Protective facilities	—	4	—	4	4
6. General services	1.8	—	—	—	1.8
Total	1.8	36	—	36	37.8

* Four per cent of this credit will be allocated to basic repairs.

Table 2. Fixed investment in rural development during the Fifth Plan (billion Rials)

Programme	Fixed investment						Total
	Public sector			Private sector			
	From development credits	From the resources of public enterprises	Total	From private savings	From development credits	Total	
	(1)	(2)	(3)=(1+2)	(4)	(5)	(6)=(4+5)	(7)=(3+6)
1. Supply of potable water	18	—	18	1.3	—	1.3	19.3
2. Rural roads	12	—	12	0.8	—	0.8	12.8
3. Sanitary facilities (public baths, mortuaries, slaughter-houses)	1	—	1	0.1	—	0.1	1.1
4. Educational and rural research centres	1	—	1	—	—	—	1.0
5. Protective facilities	4	—	4	0.3	—	0.3	4.3
Total	36	—	36	2.5	—	2.5	38.5

CHAPTER

17

Urban Development

Introduction

Rapid increases in production and per capita incomes, expectations of employment in industry, and better educational, medical and cultural facilities in urban areas have resulted in a steady migratory trend towards the country's urban and industrial centres. This has led to the population growth of rural areas declining to 1.6 per cent and that of urban areas increasing to 5.1 per cent.

In 1345 Iran's urban population of 9.7 million lived in 249 towns. In 1351 it had risen to 13.2 million and the number of towns had increased to 298.

A major characteristic of Iranian towns during this period was the large number of towns with small populations and the limited number of towns with very large populations. Thus, about 48.5 per cent of the total urban population in 1351 lived in seven large cities (Tehran, Esfahan, Mashhad, Tabriz, Shiraz, Abadan, and Ahwaz) each of which had a population in excess of 250,000.

This unevenness in the growth and distribution of the urban population is explained by the enormous popularity of life in the big cities without regard for their capacity or facilities, while constant migration has contributed to excessive congestion in the larger cities. This trend has created severe problems and difficulties such as overcrowding, traffic congestion, water shortages, air pollution, and a shortage of educational, health and other urban facilities.

In view of the present uneven distribution of the urban population and its projected increase during the Fifth Plan of four million, and also the fact that the towns are the centres of the country's social and economic development and progress, the basic objectives of the Fifth Plan with regard to urban development are as follows:

1. Basic objectives

a) to improve the urban planning system;

b) to achieve the desired balance between various categories of town by the appropriate establishment and distribution of urban development facilities;

c) to strengthen and improve the management of municipalities and local organizations.

The above objectives will be pursued within the framework of requirements and on the basis of priorities relating to development poles and

other towns. In order to ensure the maximum utilization of investments made in the development poles, to achieve the desired balance between economic development programmes and social welfare programmes in these towns, and to absorb in them potential immigrants to Tehran, all urban development programmes will be drawn up and carried out in coordination with industrial development plans and with due regard to the nature of the activities planned.

2. General guidelines and policies

In order to achieve the objectives of the urban development programme the following executive and credit guidelines and policies will be followed:

2.1. Coordination

The organizational structure of the Ministry of Development and Housing will be revised as necessary, and measures taken under the supervision of the urban affairs and architectural units of the Ministry to formulate overall urbanization policies and supervise the preparation of urban development projects in cooperation with the mayors and municipal councils.

2.2 Credit policies

The allocation of Plan financial resources for urban water supplies, sewerage systems and protective works projects will be determined on the basis of standards appropriate to the importance of the town and in the form of grants-in-aid.

In the case of other kinds of projects the ratio of grants to municipal contributions will be determined in each specific case with due regard to the social and economic importance of the town and the ratio of municipal revenues to population and the town's future development potential.

In order to strengthen municipal finances, the expenditures of education departments, health councils, physical education and scouting organizations, national literacy campaign committees and public library societies, which are paid for from municipal revenues and are shown in the budgets of the relevant ministries or organizations as special revenues, will be paid for from general revenues.

2.3. Traffic policies

In order to centralize the decision-making, planning and utilization of urban transport and traffic systems, the bodies responsible for such matters will be evaluated, and on the basis of this evaluation the responsibilities of each will be determined within the framework of a specific programme.

2.4. Financial policies

All municipalities without independent water and sewerage departments must open special accounts so that revenues and expenditures relating to these facilities shall be shown separately from other municipal revenues and expenditures.

As some municipalities have encountered difficulties in repaying principal and interest on their development loans because of insufficient financial resources, all such debts will be cancelled after the necessary investigations have been carried out.

3 - Specific objectives and programmes

3.1. In order to systematize town planning operations and provide guidance and control over urban development, the following programmes will be implemented:

a) the framing of urban population policies and the determination of suitable distribution of the urban population by examining problems relating to migration, population changes and regional problems, as well as the study of the growth and development of large cities and methods of controlling such factors;

b) the preparation of overall urban development plans;

c) the preparation of detailed urban development plans;

d) the preparation of cadastral projects in urban areas;

e) assistance in the establishment and strengthening of municipal planning bureaus;

f) the study of other problems, such as the needs and location of new towns, the education of the urban population, which are in turn essential to the fulfillment of the overall objective of improving urban planning systems.

3.2. In order to achieve the desired balance between towns by the proper distribution of development facilities on the basis of accurately identifying urban shortages and needs, the following programmes will be implemented:

a) **Potable water**

To supply and improve potable water supplies in towns by constructing and expanding mains networks, reservoirs and purification plants, and installing public water points, so that by the end of the Fifth Plan in addition to the 8.9 million of the urban population that already have access to a potable water system a further 8.1 million will have access to the per capita consumption of potable water considered desirable, either through communal housing projects or public water points.

b) **Sewerage systems**

To raise the level of public health and welfare necessitates the commencement as soon as possible of urban sewerage systems throughout the country. In implementing this programme priority must be given to industrial poles and towns which because of the high level of the water-table are faced with numerous difficulties, so that in these towns the programmes will be completed in ten years and in the remaining towns they will be completed over a thirty-year period.

c) **Urban protective works projects**

In order to avoid damage from flooding, protective works projects, such as flood control systems and riparian walls, will be carried out, based on studies of the natural and geographic characteristcs of individual towns.

d) **Improved urban traffic conditions**

The rapid increase in population, the rate at which towns have expanded and higher per capita incomes have resulted in a need for better urban transport facilities. At the same time the unplanned use of motor vehicles has harmed the existing structure of many towns and led to a deterioration in the urban environment.

It will be a Fifth Plan objective to coordinate and strike a balance between public and private transport, and to achieve this the following measures are proposed:

- to expand urban public transport facilities;
- to establish parking lots, especially on the outskirts of major urban centres;
- to establish terminals outside cities for heavy vehicles;
- to construct bypasses and ring roads.

e) **Urban reconstruction and environmental improvement**

In order to improve the environment of urban areas measures will be taken to rebuild and replace old and unsanitary buildings and also to create parks and green spaces.

In all these operations the need to preserve the historical structure of towns and to use and be inspired by the national architectural tradition will be stressed.

f) **Strengthening and improving the management of municipalities and local organizations**

In order to raise the efficiency of responsible urban agencies and encourage modern methods of administration, finance, management, planning and personnel training programmes will be implemented for municipalities in conjunction with institutes of higher education.

4. Investment and development credits

Total development credits will rise from 9.1 billion Rials in the Fourth Plan to 33.8 billion Rials in the Fifth Plan.

Table 1 shows the distribution of urban development credits, and Table 2 shows fixed investment in urban development.

Table 1. Total credits for urban development during the Fifth Plan
(billion Rials)

Programme	Current credits	Development credits			Total credits
		Fixed	Non-fixed	Total	
	(1)	(2)	(3)	(4)=(2+3)	(5)=(1+4)
1. Town planning	—	1.00	—	1.00	1.00
2. Construction and expansion of urban potable water supply systems	—	7.50	—	7.50	7.50
3. Construction and expansion of urban sewerage systems	—	7.30	—	7.30	7.30
4. Urban traffic improvement	—	10.75	—	10.75	10.75
5. Construction of urban protective works	—	2.50	—	2.50	2.50
6. Other urban facilities	—	3.45	—	3.45	3.45
7. General and administrative services	0.80	—	0.50	0.50	1.30
Total	0.80	32.50	0.50	33.00	33.80

Table 2. Fixed investment in urban development during the Fifth Plan
(billion Rials)

Programme	Fixed public sector investment		
	From development credits	From the resources of public enterprises	Total
	(1)	(2)	(3)=(1+2)
1. Town Planning	1.00	1.00	2.00
2. Construction and expansion of urban potable water supply systems	7.50	6.50	14.00
3. Construction and expansion of urban sewerage systems	7.30	2.00	9.30
4. Urban traffic improvement	10.75	5.75	16.50
5. Construction of urban protective works	2.50	1.55	4.05
6. Other urban facilities	3.45	11.70	15.15
Total	32.50	28.50	61.00

Greater Tehran Plan

1. Introduction

Tehran, as Iran's largest and most important city, offers in one place a whole collection of population-attraction factors, such as employment opportunities, schools, universities, medical, banking and commercial facilities, abundant potable water, and cultural and recreational facilities. This has resulted in wide-scale migration from rural areas and other towns and cities to Tehran. Although the measures taken in recent years to decentralize economic activities have had some effect on reducing the level of migration to Tehran, unless some serious measures are taken to reduce the level still further it is projected that by 1356 the city's population will have risen to 5.1 million, and by 1366 to 8.9 million.

In terms of town-planning Tehran is faced with a number of serious problems, namely:

- a shortage of streets in relation to the volume of traffic and built-up areas and the lack of a rapid transit system, such as an underground railway system;
- growing air pollution;
- a shortage of public parks, open areas and parking lots;
- overcrowding in residential areas and a shortage of low-cost apartment accommodation;
- a projected water shortage in the not too distant future.

2. General guidelines and policies at the national level

In order to solve the problems facing Tehran, the following guidelines and principles will be implemented at the national level.

2.1. Administrative decentralization

In view of the fact that in the course of the Fifth Plan the Government will spend about 36 per cent of the gross national product on consumer expenditures and investment, it is clear that the manner in which these expenditures are distributed by the Government on a nation-wide basis will be an important factor in transforming conditions in other urban areas relative to Tehran. It has been calculated that in terms of his purchasing power every civil servant in Tehran creates 1.4 jobs. On the basis of an average of five persons per job in Tehran this means that each civil service job results in 12 persons resident in Tehran, while by contrast the transfer of a civil service post from Tehran to another urban area will result in increased employment in provincial towns and 12 fewer persons in the population of Tehran than would otherwise be the case.

An overall review of the functions of Government agencies has shown that at least 50 per cent of their personnel should be transferred to the provinces on the basis of the nature of their duties. Such transfers should be accompanied by adequate material benefits, the corresponding transfer

of decision-making to provincial areas, and expanded construction programmes for housing, schools, hospitals, university colleges, recreational facilities and other development investment, so that concurrently with the transfer of a considerable volume of purchasing power to provincial areas, social, economic and administrative conditions favourable to provincial development are created, and consequently migration of human resources and capital to Tehran is checked.

It is of primary importance that a detailed survey of the functions, staff and organization of all ministries and Government organizations be carried out and the necessary recommendations submitted to the Council of Ministers. It is also necessary that by utilizing the mechanism of the annual budget and on the basis of the instructions of the Council of Ministers the creation of new executive agencies in Tehran be halted. Another beneficial action would be to make a period of several years' service in the provinces a pre-condition for administrative promotion.

2.2. Economic decentralization

The limitations imposed on the establishment of new factories within a 120-kilometre radius of Tehran has been effective in directing private investment to provincial areas. Nevertheless, the expansion of factories already established within this radius must also be limited to cases where such expansion is based on advanced capital-intensive methods. Efforts to direct private-sector productive units to provincial areas must be accompanied by the following favourable conditions:

- the preparation of industrial estates, equipped with water, electricity and roads, available to industrialists on favourable leasehold terms;
- allocating the major part of banking system credits to provincial areas and granting greater credit facilities for fixed investment and working capital to provincial industrialists and merchants;
- the signing of contracts with industrial enterprises in the provinces for the purchase of the bulk of their production for Government requirements;
- aid to housing projects for workers;
- assistance in establishing vocational schools for training skilled and semi-skilled workers;
- providing assisted passages to workers wishing to transfer from Tehran to industrial centres in the provinces;
- encouraging provincial and urban district councils to establish facilities for the attraction of industries to their regions;
- referring contracts relating to provincial areas that are within their capability and skills to local enterprises and manpower.

2.3. Water supply policy

There are no technical problems involved in supplying water to Tehran's growing population, even if this rises to over 5.5 million and even

if the annual per capita consumption increases from 65 cubic metres to 100 cubic metres, because water can be supplied from the resources of the Lar, Karaj, Taleqan and other rivers. Nevertheless there are two basic reasons why the supply of water to Tehran is faced with limitations.

The first is that the utilization of distant water is inevitably more expensive. The second is that diverting such resources from regions that are situated some distance away from Tehran will put an end to agricultural and industrial activities and adversely affect life in those regions, while at the same time aggravating the problem of migration to Tehran. In formulating a water supply policy for Tehran particular attention will therefore be paid to the long-term effects and to the social and economic aspects of measures taken in this field.

3. Specific objectives and programmes

The following specific guidelines and programmes will be implemented during the Fifth Plan.

3.1. Housing

In view of the increase in the population of Tehran, both from migration and natural growth, it is projected that during the Fifth Plan a total of 221,000 residential units will be built by the private and the public sector, of which the public sector will be responsible for 21,000. In implementing this programme, priority will be given to replacing buildings in old and insanitary areas with large low-cost apartment blocks, equipped with adequate streets, open parking areas, children's playgrounds and green areas, so as to reduce over-crowding in the more densely populated parts of the city. This priority will also be used as a criterion in granting loans for housing projects to the private sector, and in cases where vacant lots within the city limits can be used for public projects such as parking lots, children's playgrounds, green spaces, schools, clinics, sports grounds and so on, no assistance will be given for the construction of traditional residential buildings on these lots.

3.2. Parks and green areas

In view of the present shortage of public parks and green areas within the city, especially in the southern parts, appropriate measures will be taken to remedy this deficiency, and in addition to establish children's playgrounds on the basis of proper zoning and town-planning principles.

3.3. Coordinated distribution of urban facilities

Measures will be taken to formulate the necessary criteria and regulations for the orderly expansion and distribution of commercial and artisan units on a city-wide basis, in accordance with sound town-planning practice. On this basis efforts will be made to ensure that new commercial units are established as far as possible adjacent to the communications system so as to provide the maximum accessibility and reduce traffic congestion.

To reduce congestion in administrative units at the city level measures will be taken for such units to be distributed in accordance with sound town-planning principles.

3.4. Public transport

Studies of Tehran's traffic and public transport system indicate that the establishment of a well-equipped bus company and a rapid transit system should be considered, and measures to this effect will be considered in the Fifth Plan.

At the same time projects for widening existing streets, and building new streets and motorways will be prepared and gradually implemented, while separate programmes to regulate the traffic are also carried out.

3.5. Water and sewerage systems

Executive studies for water and sewerage systems in Tehran have been carried out, and on the basis of these studies executive projects will be prepared and implemented.

3.6. Anti-pollution measures

With regard to the campaign against pollution, detailed studies will be carried out on sources of pollution, and the degree, extent and radius of distribution thereof, and effective ways of combating pollution will be implemented. At the same time serious measures will be taken to prevent such factors of pollution that have been identified. The use of new fuels for vehicles, brick kilns, public baths, and workshops and the enactment of appropriate legislation to penalize persons who are responsible for environmental pollution, and the establishment of a powerful supervisory and control agency, will be among the most effective measures to take place in the Fifth Plan, and one that will protect the environment, not only of Tehran but of the whole country from factors effecting environmental pollution.

3.7. Establishment of an organization for the coordination and supervision of the expansion of Greater Tehran

In view of the various problems facing Greater Tehran and the fact that every ministry and Government agency operates according to its own independent policies on development and employment matters in the Tehran area, without these policies necessarily helping the control of undesirable expansion of the city of Tehran or improving future living conditions in the city, it is essential that an independent organization be formed to coordinate and supervise the expansion of the city of Tehran. The objectives of the organization, which will function under the supervision of the Prime Minister, will be as follows:

a) to control the population growth of Tehran and maintain the population at the lowest possible level over a long-term period;

b) to improve the environment of the city;

c) to facilitate living conditions for the city's inhabitants;

d) to create a socially and economically homogeneous society.

CHAPTER

18

Government Buildings

Introduction

The expansion of Government functions and services throughout the country has added considerably to the requirements of Government agencies for administrative accommodation suited to the nature and volume of their activities.

During the past decade, and especially in the Fourth Plan, the expansion in the areas of responsibility of and services provided by Government agencies was accompanied by a rapid increase in the number of civil servants required by such agencies, the total number of whom rose from about 300,000 in 1347 to about 440,000 by the end of 1351.

At present most Government offices, such as those of the Ministry of Justice, the Registration Department, the Ministry of Education, district governorates and the like in various regions, have insufficient space to accommodate the required staff, and one of their main difficulties is the fact that they have to use private-sector residential buildings, most of which are of ancient construction and unsuitable for a working environment.

1. Basic objectives

In view of these problems the basic objectives of the Fifth Plan with regard to Government buildings are to meet the accommodation needs of the various civil and public order agencies and carry out the construction required by the Imperial Iranian Armed Forces.

2. General guidelines and policies

In implementing the above objective, the following executive guidelines and policies are proposed:

2.1. Centralization of Government offices

In order to economize on construction costs and to speed up administrative affairs and facilitate traffic as far as possible all newly-established Government offices at the district level will be centralized in a single building complex.

2.2. Priorities for towns and regions

In constructing Government buildings, priority will be given to districts, small towns and regions where the potential for private sector investment is less.

2.3. Construction standards

Standards will be set for Government buildings with due regard for the nature of the functions incumbent on the relevant agencies and the climatic conditions of the region, and all Government agencies will be obliged to conform to such standards.

2.4. Government buildings in Tehran

In order to prevent an excessive concentration of civil servants in Tehran and to ensure a more even nation-wide distribution of Government services, the establishment of new Government buildings in Tehran will as far as possible be avoided in the case of those agencies the nature of whose functions is such that they can be established in other parts of the country.

2.5. Encouragement of the private sector

The private sector will be encouraged to build accommodation suited to the requirements of Government offices in various parts of the country by offers of long-term leases at guaranteed rents.

3. Specific objectives and programmes

In view of the basic objectives and guidelines and policies mentioned above the specific Government building programmes will be as shown in Table 1.

4. Investment and development credits

Investment in Government buildings will rise from 33.8 billion Rials in the Fourth Plan to 90.8 billion Rials in the Fifth Plan. Tables 2 and 3 show the level of investment and the distribution of credits by specific programmes.

Table 1. Fifth Plan programme for Government buildings by cost of project (million Rials)

Programme	Tehran	Other regions	Total cost
1. Civil administrative buildings			
a. Completion of unfinished Fourth Plan projects	1,245	734	1,979
b. Administrative complexes in urban districts and districts	—	5,097	5,097
c. Specialized administrative buildings in Tehran and provinces	3,080	2,944	6,024
Sub-total	4,325	8,775	13,100
2. Buildings for public order and security agencies			
a. Construction of National Police buildings	160	440	600
b. Administrative offices for National Police	830	177	1,007
c. Administrative buildings and posts for National Gendarmerie	75	2,048	2,123
d. State Intelligence and Security Organization (SAVAK) buildings in Tehran and provinces	300	670	970
e. Civil Defence Organization buildings	50	150	200
Sub-total	1,415	3,485	4,900
3. Other Government buildings	9,300	63,500	72,800
Total	15,040	75,760	90,800

Table 2. Fixed investment in Government buildings in the Fifth Plan (billion Rials)

Programme	From development credits	From the resources of public enterprises	Total
1. Civil administrative buildings	13.1	—	13.1
2. Buildings for public order and security agencies	4.9	—	4.9
3. Other Government buildings	72.8	—	72.8
Total	90.8	—	90.8

Table 3. Fifth Plan credits for Government buildings
(billion Rials)

Programme	Current credits	Development credits			Total credits
		Fixed	Non-fixed	Total	
	(1)	(2)	(3)	(4)=(2+3)	(5)=(1+4)
1. Civil administrative buildings	—	13.1	—	13.1	13.1
2. Buildings for public order and security agencies	—	4.9	—	4.9	4.9
3. Other Government buildings	—	72.8	—	72.8	72.8
4. General and administrative services	0.4	—	—	—	0.4
Total	0.4	90.8	—	90.8	91.2

CHAPTER

19

Housing

1. Basic objectives

The rapid increase in population, the rise in national income and standards of living and culture in the past decade have intensified the need for urban facilities, particularly housing. At the beginning of the Fifth Plan the housing shortage, based on a standard of one residential unit for each family, amounts to about two million units at the country level and 1.1 million in urban areas. To overcome this situation, the major objective of the housing sector under the Fifth Plan is to reduce existing overcrowding by expanding housing facilities for various groups, particularly the low income groups. Together with this objective, the urban housing programme is to build 740,000 residential units, 575,000 of which will be built by the private sector and 165,000 units by the public sector.

With the implementation of this programme, one residential unit will be built for every family added to the urban population during the Fifth Plan period. This would mean that the present ratio of 117 residential units per thousand population will be raised to 131 units by the end of the Fifth Plan, and hence the ratio of persons to residential units will be reduced from 8.5 persons to 7.7 persons per residential unit and the ratio of persons to rooms will be reduced from 2.40 to 2.16.

To improve housing conditions in rural areas, low-cost housing will be built for farm corporations and rural cooperatives members by granting credit to them. For civil servants stationed in the rural centres situated in agricultural development poles, institutional housing will be built. It is expected that 224,000 residential units will be built in rural areas by the private sector and 24,000 by the public sector. (Table 1)

Table 1. New residential units to be built in urban and rural areas during the Fifth Plan

	No. of residential units		Total
	Urban	Rural	
Private sector	575,000	200,000	775,000
Public sector	165,000	24,000	189,000
Total	740,000	224,000	964,000

2 General guidelines and policies

2.1. Credit policies

In order to mobilize the banking system to form a large-scale network for granting credits to the public for housing, housing savings funds will be established and expanded in the branches of most banks, and the

necessary regulations will be enforced for commercial banks to devote a larger share of their resources to housing loans.

Building societies will be supported in their activities to attract private savings to housing activities.

To mobilize private savings towards collective low-cost housing activities, loans will be paid to low-income labour and staff personnel, housing cooperatives, and employers who undertake to build housing facilities for their employees. It is expected that low-interest credits and tax exemptions will encourage the private sector to construct apartment buildings.

2.2. Industrial units

With respect to housing programmes for new industrial units, measures will be taken to ensure that housing and related urban facilities will be ready for use by the personnel of such units when they commence operations.

2.3. Organization

In view of the important role of the Housing Organization and the implementation of the housing programme, its present overlapping functions and organizations will be revised and separate independent corporations will be set up to deal with housing, consultative services, urban land administration, and the maintenance and utilization of state-owned residential units.

2.4. Standards

To control the housing activities of the public sector and avoid the construction of expensive luxury residential building, all Government agencies will be required to comply with the standards laid down in this respect.

2.5. Manpower

To overcome the shortage of skilled manpower in housing construction, special courses will be prepared through joint cooperation between the Ministry of Labour and Social Affairs, the Ministry of Education and the Ministry of Housing and Development, and implemented in various provinces and urban districts.

2.6. Building materials

To expand the production of building materials parallel with intensified construction activities, and thus ensure a balance between demand and supply, the private sector will be encouraged to invest in this industry by means of tax exemption and credit incentives.

2.7. Building research

To reduce housing costs, introduce efficiency, and overcome the shortage of skilled manpower, research will be carried out to improve the standards of building materials and ensure that construction methods and styles are in conformity with climatic conditions, and preparatory steps taken for the industrialization of construction activities.

2.8. Provision of land

Considering that the cost of land forms a considerable portion of the finished cost of housing units and other public urban facilities and that the continuous rise in the price of land will create difficulties for the implementation of development projects, a policy of providing the land needed for development operations and urban housing, particularly in large cities, is essential. Such a policy will include the following measures:

- the enactment of legislation empowering the Government to secure the land necessary for public urban facilities, such as parks, sports grounds, training centres, and industrial centres, and to reserve it for future utilization on the basis of urban development plans;

- the establishment of regulations for the imposition of a land appreciation tax applicable to owners of urban sites the value of which has risen as a result of the implementation of development projects;

- the establishment of regulations facilitating the renovation by the private sector of old and unhygienic urban areas;

- the transfer of Government, municipal and public domain lands, at reasonable prices or rents, to private corporations or individuals who undertake housing activities.

3. Specific objectives and programmes

Specific housing programmes are as follows:

- the construction of 53,000 institutional housing units for teachers and other civil servants, officers and NCO's of the Imperial Armed Forces, police and gendarmerie, particularly in remote regions and areas where there are no possibilities for private sector investment;

- the construction of about 8,000 institutional housing units in agricultural development poles for use by Government service personnel, including extension agents, cooperative personnel, veterinarians and the like;

- the construction of about 25,000 institutional housing units for labourers in existing industrial development poles, and industrial centres scheduled to be established;

- the construction of about 45,000 low-cost housing units in housing estates or apartment blocks, and their transfer to individuals in low-income brackets on a long-term instalment basis;

- the establishment of 20,000 low-cost housing units for urban squatters;

- the establishment of 16,000 low-cost rural housing units through the provision of credit facilities;

- the establishment of satellite towns and labour residential quarters near large towns in order to create a suitable residential environment for labour and staff personnel working in agricultural and industrial units situated in a single region;

- the reinforcement of the financial resources of Bank Rahni Iran (the Iran Mortgage Bank), by raising its capital so as to expand its activities in encouraging the private sector, and providing credit required by housing cooperatives and building corporations. (Table 2)

Table 2. Specific housing programmes by the public sector during the Fifth Plan

	Number of housing units		Fifth Plan credits (billion Rials)
	Urban areas	Rural areas	
1. From development credits			
a) Institutional labour housing	25,000	—	9.0
b) Institutional staff housing	53,000	8,260	49.3
c) Low-cost housing	65,000	16,000	20.7
d) Financial aid	—	—	3.8
Total	143,000	24,260	82.8
2. Other sources (public enterprises)	22,000	—	15.0
Total	165,000	24,260	97.8

4 Investment and development credits

In view of the special emphasis placed on housing in the Fifth Plan, it is expected that total investment in housing will rise from 190 billion Rials during the Fourth Plan period to 402 billion Rials during the Fifth Plan period. This constitutes five per cent of the gross national product and 20 per cent of fixed gross domestic capital formation. The share of the private sector in housing investment will be about 308 billion Rials, and that of the public sector will be 94 billion Rials, of which 79 billion Rials will be provided from development funds and 15 billion Rials from the revenues of public enterprises. (Table 3)

Table 3. Investment in housing during the Fifth Plan
(billion Rials)

	Urban housing		Rural housing		Total
	New residential units	Repair and completion	New residential units	Repair and completion	
Public sector	87.0	2.0	5.0	—	94.0
Private sector	233.8	34.0	15.0	26.0	308.8
Total	320.8	36.0	20.0	26.0	402.8
	356.8		46.0		

Total credits for housing will rise from 9.5 billion Rials in the Fourth Plan period to 83.2 billion Rials in the Fifth Plan period. Table 4 shows total credits and Table 5 shows the volume of fixed investment in housing during the Fifth Plan.

Table 4. Total credits for housing during the Fifth Plan
(billion Rials)

Programme	Current credits	Development credits			Total credits
		Fixed	Non-fixed	Total	
	(1)	(2)	(3)	(4)=(2+3)	(5)=(1+4)
1. Institutional labour housing	—	9.0	—	9.0	9.0
2. Institutional staff housing	—	49.3	—	49.3	49.3
3. Low-cost housing	—	20.7	—	20.7	20.7
4. Financial aid	—	3.8	—	3.8	3.8
5. Support services	0.4	—	—	—	0.4
Total	0.4	82.8	—	82.8	83.2

Table 5. Fixed investment in housing during the Fifth Plan
(billion Rials)

Programme	Fixed investment						Total
	Public sector			Private sector			
	From development credits	From the resources of public enterprises	Total	From private savings	From development credits	Total	
	(1)	(2)	(3)=(1+2)	(4)	(5)	(6)=(4+5)	(7)=(3+6)
1. Institutional labour housing	9.0	2.0	11.0	—	—	—	11.0
2. Institutional staff housing	49.3	3.0	52.3	—	—	—	52.3
3. Low-cost housing	20.7	10.0	30.7	305.0	—	305.0	335.7
4. Financial aid	—	—	—	—	3.8	3.8	3.8
Total	79.0	15.0	94.0	305,0	3.8	308.8	402.8

CHAPTER

20

Education

1. Basic objectives

The education programme of the Fifth Plan is based on the assumption that the educational system should be capable of responding to Iran's progress in terms of manpower training and producing qualified scientists and technologists. The system should at the same time be reformed so as to instill a soirit of discipline, social cooperation and national pride among young people and thus act as an effective factor in mobilizing the nation for progress and independence. To realize these objectives has necessitated the preparation of long-term (i.e. at least ten years) educational planning, so that all existing shortcomings are eliminated, and the educational system is geared towards the economic and social needs of a changing Iranian society.

The objectives of the ten-year educational plan, within the framework of which the Education chapter of the Fifth Plan has been prepared, are as follows:

a) To make primary education compulsory throughout the country and eradicate illiteracy among the economically active population. Primary education will be expanded so that by the end of the Fifth Plan all urban children of school age and 80 per cent of all rural children of school age will attend schools.

b) The rapid expansion of technical, vocational and higher education to provide all the required skills and scientific and technological qualifications, so that by the end of the Sixth Plan there will be adequate capacity for training the skilled personnel, scientists and technologists required and except for limited special cases the need to employ such categories of foreign personnel will be removed. To this end, as far as training teachers and instructors permits, technical and vocational education will be expanded during the Fifth Plan period.

It is also expected that during the Plan period the administrative efficiency and management of the organizations and ministries concerned with education will increase.

c) To prepare the educational system to respond quickly to changing economic and social needs.

To realize this objective, priority will be given during the Fifth Plan period to the provision of qualified teachers, and training staff. Teacher training centres will be established in sufficient numbers so that from about the middle of the Sixth Plan period, enough qualified teachers are trained each year.

d) Necessary innovations will be introduced throughout the educa-

tional system in the fields of management, use of equipment and educational curricula.

2. General guidelines and policies

To achieve the above objectives, the following executive guidelines are envisaged:

2.1. Priorities

In the implementation of the education programmes, top priority will be given to teacher training, vocational instructor training, primary education and adult education, and transfers of credits allocated to these programmes to other programmes, and of credits allocated to rural educational programmes to urban programmes, will be avoided.

2.2. Administrative policies

Ministries and other responsible agencies will be strengthened to enable them to implement their training programme quickly, use scientific management techniques and delegate executive powers to provincial and urban district officials. In order to attract qualified personnel to educational services and ensure greater length of service, particularly in rural areas, residential quarters will be built for teachers simultaneously with the construction of new schools.

2.3. Educational certificates

The Ministry of Education, the Ministry of Science and Higher Education, and the State Administrative and Employment Organization will take the necessary measures to ensure that academic qualifications alone will no longer be the sole criterion for employment and promotion, and that qualifications arising from a scientific, specialized or practical experience background will also be considered in recruiting and promoting personnel.

This approach is expected to give greater prominence to the search for knowledge and greater competence, as opposed to the present emphasis on paper qualifications.

3. Specific objectives and programmes

The specific targets in the Fifth Plan education programme are shown in Table 1. The objectives for the different educational levels are as follows:

3.1. Kindergarten education

At the pre-school level, the number of children will rise from 24,000 in 1351 to 415,000 in 1356, over 17 times as many. Most of this expansion will take place in industrial estates and rural areas among low-income groups who lack the means to raise their children properly. All children attending kindergarten will benefit from the nutritional programme.

3.2. Primary education

With regard to the expansion of primary education, all urban

children and 80 per cent of rural children will be attending school by the end of the Fifth Plan period, and in view of the relationship between primary and adult education, it is expected that at the end of the Fifth Plan period an education network will be established covering all villages with a population of 50 or over, of which there are about 45,000.

In the expansion of primary and adult education particular emphasis will be placed on the Literacy Corps, and some 128,000 Corpsmen will be sent to rural areas during the Fifth Plan period.

Table 1. Educational objectives in the Fifth Plan
(thousand persons)

Level or type of education	No. at the end of the Fourth Plan	No. at the end of the Fifth Plan	Increase during the Fifth Plan	Rate of increase during the Fifth Plan (per cent)
Kindergarten	24	415	391	1,629
Primary	3,424	5,000	1,576	46
Orientation	578	1,544	966	167
General Secondary[1]	619	953	334	54
Technical education[2]	66	184	118	179
Higher education	108	190	82	76
Vocational training[3]	31	179	148	477
Adult education[4]	8,250	15,600	7,350	89

1 Includes students of the 9th-12th grades under the old or new educational system. At the end of the Fourth Plan the total number of secondary education students from the 7th grade to the 12th grade was 995,000.
2 Includes all technical training carried out by ministries as well as primary school teacher training.
3 Includes only vocational training for skilled and semi-skilled labour.
4 Includes literate persons in the 10-44 age gorup.

3.3. Adult education

In the field of adult education the objective will not be mere literacy, but with the successful experience gained in vocational training, this type of training will be expanded and short-term vocational, aptitude and social courses will be emphasized, particularly in rural areas. For this purpose 32,000 members of the Extension and Development Corps and the Health Corps will be sent to villages, and extensive use will be made of mass communication media.

With the implementation of these programmes, it is expected that the literacy rate of the 10-44 age group, which is at present about 50 per cent, will rise to 80 per cent by the end of the Fifth Plan. With this rate of progress and with the expected progress in the expansion of primary education, it is expected that by the end of the Sixth Plan, illiteracy will be eradicated in the 6-44 age group.

Thus, only some two million adults will remain illiterate.

In terms of the eradication of illiteracy, functional literacy and aptitude, social and occupational training, which has been carried out by the Extension and Development Corps, the Health Corps and the Rural Houses of Culture, striking success has already been achieved. If all these activities and new national methods for adult education are scientifically evaluated it will enable these programmes to be improved and at the same time innovations can be introduced into the methodology and content of

other educational levels. For this reason the establishment of an adult education research centre is envisaged in the Fifth Plan.

3.4. Orientation education

With regard to orientation education, which is aimed at identifying the talents of young people preparing and directing them towards educational subjects needed by the country, the number of students will expand to about 2.5 times the comparable figure for the Fourth Plan, to reach 1.54 million at the end of the Fifth Plan.

Opportunities will also be provided for qualified but needy students, particularly from rural areas, to continue their studies in boarding schools run by the Government.

3.5. Secondary education

The rate of growth of general secondary education will be moderated as much as possible during the Fifth Plan period, and will decline by about nine per cent. By introducing greater diversity into secondary school curricula and expanding comprehensive schools, it is expected that a considerable number of students will be directed to service, technical and administrative courses of study.

3.6. Vocational education

In the case of technical and vocational education, the major objective of tne Fifth Plan is to expand the capacity of schools and educational centres so that by the end of the Sixth Plan a balance will be established between the supply and demand of technical and vocational skills and specialities.

To realize this objective, the establishment of 500 new technical and vocational centres is envisaged to train people at various levels in the fields of agriculture, industry and services, which will raise the training capacity of existing schools from 95,000 in the Fourth Plan to about 362,000 in the Fifth Plan.

As a result of this increased capacity, 72,000 grade one technicians, 132,000 grade two technicians and 600,000 skilled and semi-skilled workers will be trained in industrial, agricultural and service fields.

The training activities of the Ministry of Labour and Social Affairs will be supported through the Industrial Training Fund, which has already secured the participation of the private sector in vocational training. It is also expected that by the end of the Fifth Plan period 29 major industries will be subject to the industrial training legislation

Table 2 shows the various components of technical and vocational training.

Short-term vocational training courses will also be arranged to speed up the absorption of high school graduates into the labour market.

The technical and vocational training system will be arranged so as to be able to respond quickly to needs which may arise in connection with unforeseen programmes and projects. For this purpose the High Council of Technical and Vocational Training will be set up to coordinate programmes and guidelines relating to manpower training and take speedy action in urgent and critical cases where rapid decision making is impeded because of the number of executive agencies involved.

Table 2: Technical and vocational training in the Fifth Plan
(persons)

Branch of study	Capacity at the end of the Fourth Plan	Capacity at the end of the Fifth Plan	No. of persons trained during the Fifth Plan
Grade 1 technicians (above high school diploma) in industrial, agricultural and service fields[1]	24,760	42,500	72,700
Grade 2 (high school diploma) in industrial, agricultural and service fields	64,550	183,400	132,100
Pre-employment and in-service training (excludes training staff)	—	—	141,000
Vocational training for skilled and semi-skilled workers	31,050	179,000	603,900

1 Includes students of higher educational institutions.

3.7. Higher education

The number of students in institutes of higher education will increase from 108,000 at the end of the Fourth Plan to 190,000 at the end of the Fifth Plan.

A substantial part of this increase will be accounted for by two-year courses of technical and vocational training, and teacher training courses. Table 3 shows the distribution of students by various fields of study.

Table 3. Distribution of students by field of study during the Fifth Plan

Field of study	No. at the end of the Fourth Plan		Fifth Plan objective	
	No.	Per cent	No.	Per cent
Humanities	15,100	14.0	19,000	10.0
Teacher training and educational science[1]	20,000	18.5	37,300	19.5
Fine arts	3,400	3.1	5,300	2.8
Law	2,000	1.9	3,400	1.8
Social sciences	23,600	21.8	42,000	22.2
Mathematics and natural sciences	10,800	10.0	20,900	11.0
Engineering	18,000	16.7	34,800	18.3
Medicine	10,500	9.7	19,000	10.0
Agriculture	4,600	4.3	8,300	4.4
Total	108,000	100.0	190,000	100.0

1 During the Fifth Plan period 5,000 of this category will study educational science and the remainder will study special teacher training subjects.

The fundamental problem facing the higher education system is to make the universities and other institutes of higher education capable of meeting the needs of Iranian society.

To this end it is envisaged that the curricula and teaching methods of higher education are evaluated and revised while attention is also paid to the national functions and responsibilities of the universities in cultivating beliefs in national goals. To meet the needs of Iranian society, it is proposed that the period of study for physicians, teachers, nurses and some other professional categories be shortened, and the curricula and

teaching methods revised. Since the goal of higher education is to meet the country's needs for qualified scientists and technologists, special care will be taken to prevent the establishment or expansion of higher educational institutes simply for the granting of higher academic qualifications.

3.8. Research programmes

The National Research Council will be strengthened to enable it to define the country's scientific research policy and to undertake the regular identification of research subjects. Universities and higher academic institutes will be recognised as major centres for research, while the establishment of independent research institutes will be avoided wherever possible. It is therefore necessary that universities comply with the principle of division of labour at the national level, determine their own fields of speciality, and concentrate on specific fields, unlike the present haphazard ad hoc system of research. All students should also participate in individual and group activities.

3.9. Teacher training

In the field of teacher training, on the basis of the long-term programme referred to above, it is envisaged that 80 centres for training teachers and instructors at various levels will be established during the Fifth Plan period. Until these centres become operative, Fifth Plan needs will be met through short-term courses at existing centres and universities.

The most talented and suitable candidates will be selected for teacher training, with priority going to local residents. After selection they will be trained by the Ministry of Education or other ministries. All teacher training programmes will thus be implemented on an integrated basis, closely linked to the agencies that will employ the teachers.

3.10. Sports and educational aids

To provide for the physical education of students and especially to foster a sense of discipline, cooperation and sense of duty, which are essential for a proper understanding of national objectives, special attention has been paid in the Fifth Plan to the expansion of sport in schools and educational institutes. About 500 sports complexes will be set up adjacent to schools in urban and rural areas, and in other suitable locations if the schools do not have sufficient space.

School and mobile libraries will be expanded as educational aids and it is envisaged that 15 million textbooks and educational publications will be printed and distributed.

4. Investment and development credits

Total credits for the implementation of educational programmes will rise from 134 billion Rials in the Fourth Plan to 405 billion Rials in the Fifth Plan. Of this, 230 billion Rials will be provided from development funds, as compared with 44.5 billion Rials in the Fourth Plan.

Of the 405 billion Rials of total Fifth Plan credits, about 30 per cent, or 125 billion Rials, will be spent in rural areas or for the rural population. Government investment in education will increase from 3.4 per cent of gross national product in the last year of the Fourth Plan to 5.4 per cent in the last year of the Fifth Plan. Including private sector expenditure on

education, the ratio of gross national income spent on education, which is at present 3.8 per cent, will increase to about six per cent in the last year of the Fifth Plan period.

Table 4 shows total credits for education and Table 5 shows fixed investment during the Fifth Plan period.

Table 4. Total Fifth Plan credits for education
(billion Rials)

Programme	Current credits	Development credits			Total credits
		Fixed	Non-fixed	Total	
	(1)	(2)	(3)	(4)=(2+3)	(5)=(1+4)
Kindergarten education	—	1.5	1.5	3.0	3.0
Primary education	80.6	22.4	26.2	48.6	129.2
Orientation education	13.9	16.5	20.3	36.8	50.7
General secondary education	23.0	7.5	1.5	9.0	32.0
Technical and vocational training	5.2	22.7	16.1	38.8	44.0
Higher education	28.4	29.5	14.2	43.7	72.1
Adult education	—	1.0	5.6	6.6	6.6
Teacher training	4.6	16.7	10.8	27.5	32.1
Educational aid programmes	—	2.0	2.0	4.0	4.0
Research	2.3	—	4.0	4.0	6.3
School sports	—	7.2	0.8	8.0	8.0
General services	17.0	—	—	—	17.0
Total	175.0	127.0	103.0	230.0	405.0

Table 5. Fixed investment in education during the Fifth Plan
(billion Rials)

Programme	Fixed investment						Total
	Public sector			Private sector			
	From development credits	From the resources of public enterprises	Total	From private savings	From development credits	Total	
	(1)	(2)	(3)=(1+2)	(4)	(5)	(6)=(4+5)	(7)=(3+6)
Kindergarten education	1.4	—	1.4	0.1	0.1	0.2	1.6
Primary education	22.4	—	22.4	0.2	—	0.2	22.6
Orientation education	16.2	—	16.2	0.4	0.3	0.7	16.9
General secondary education	7.3	—	7.3	0.3	0.2	0.5	7.8
Technical and vocational training	22.7	—	22.7	—	—	—	22.7
Higher education	29.0	—	29.0	0.5	0.5	1.0	30.0
Adult education	1.0	—	1.0	—	—	—	1.0
Teacher training	16.7	—	16.7	—	—	—	16.7
Educational aid programmes	2.0	—	2.0	—	—	—	2.0
Research	—	—	—	—	—	—	—
School sports	7.2	—	7.2	—	—	—	7.2
Total	125.9	—	125.9	1.5	1.1	2.6	128.5

CHAPTER

21

Culture and Arts

1. Basic objectives

The right to enjoy culture, like the entitlement to other material and intellectual requirements, is one of man's social rights, and is closely related to national growth and development. Recognition and preservation of the national identity, defence of the homeland, responsible use of the means of production, a sense of discipline and conscientious performance of duties, cooperation and participation all have their roots in a society's cultural values. The development of culture therefore plays an important role in the efforts to reach the Great Civilization.

The basic objectives for culture and the arts are founded on five broad cultural principles, each of which has three aspects: research, education and propagation. The five principles are:

a) cultural research, and the preservation of the country's valuable cultural heritage;
b) cultural and art education;
c) propagation of culture and the arts;
d) provision of facilities for artistic and literary creation;
e) cultural relations.

2. General guidelines and policies

2.1. A major policy will be to emphasize the country's valuable cultural heritage while propagating culture in quantitative terms. Research into the various cultural elements will be carried out so that in a rapidly changing world, Iranians can maintain their cultural originality and national identity by relying on such research, and intellectuals and artists will be inspired by the valuable results thereof.

2.2. In cultural and art education the emphasis will not be placed solely on training artists, instructors and cultural extension agents. Attention will also be paid to the development of culture and the arts on a nation-wide scale, and efforts will be made through the mass media to acquaint the public with cultural and artistic values.

2.3. The main policy for the expansion of culture is to observe geographic and social priorities. Regions where cultural activities are of basic importance from the point of view of the maintenance of the country's territorial integrity will be included in the first category of priority. In the second, emphasis will be placed on various social groups, particularly young people, and workers in rural and industrial development centres. The principle of equality in benefiting from cultural manifestations will be emphasized, and culture will play a constructive role in areas with a high density of population.

2.4. The preservation, strengthening and establishment of cultural relations within the geographical area of Iranian culture and the sphere of in-

fluence of the Persian language, particularly with countries which share a common cultural heritage with Iran, as well as the establishment of permanent relations with people in other countries who appreciate the cul ture and arts of Iran, will form the basis of cultural relations policy.

3. Specific programmes

The specific cultural and artistic programmes have been prepared within the framework of the above five principles.

3.1. Cultural research and the preservation of the country's valuable cultural heritage

This includes the following:

Archaeological excavations, ethnological and folklore research, the Academy of the Persian Language, the Academy of Iranian Literature and Art, the Shahnameh of Ferdowsi Foundation, the Historical Society, the researches of the Secretariat of the High Council of Culture and the Arts, studies, repair and preservation of historical monuments and national arts. Major proposed activities also include the establishment of a national centre for archaeological, historical and artistic research, the supply of manpower for archaeology and the repair of historical monuments, particularly through the revision of Iranian university curricula, the establishment of a national centre for ethnological and folklore research, the preservation of the historical structure and original character of ancient towns through the enactment of specific legislation, and a study of society's cultural needs and the manner in which cultural activities can be coordinated.

3.2. Cultural and art education

This includes art education, audio-visual education, museums and libraries. The main activities proposed for this field include increasing the number of art students to at least double the present number, establishing at least four schools for art teachers in provincial centres, completing, equipping and establishing audio-visual centres and related facilities, establishing clubs for cultural and artistic activities, establishing an institute for training museum staff, expanding the facilities of existing museums and establishing new ones, building new premises for the National Library with a capacity of three million volumes, and building 200 new category 1, and and 3 libraries.

3.3. Propagation of culture and the arts

This includes activities in the field of writing, film-making and the theatre. The major activities envisaged in this field include the establishment of 30 new cultural centres in provincial towns, granting loans for the establishment of cinemas in cities and small towns, the production of Iranian films and the establishment of well-equipped cinema studios, the revival, strengthening and expansion of traditional plays, the preparation of simplified publications and books, the strengthening of public libraries of houses of culture and the strengthening and establishment of new cultural agencies in the country.

3.4. Provision of facilities for artistic and literary creation

Major activities in this include support for art exhibitions, building social centres for artists and musicians, establishing state-owned art galleries, purchasing valuable works of art for museums and exhibitions.

3.5. cultural relations

Major activities in this field include reviving and strengthening the Persian language on the Iranian plateau and in neighbouring countries, establishing an Iranian Cultural Centre in Hyderabad, expanding cultural relations, and exchanging books, publications, students and professors.

4. Investments and development credits

Total Fifth Plan credits for culture and arts programmes will increase from 4.4 billion Rials (1.5 billion Rials from the Development Budget and 2.9 billion Rials from the Ordinary Budget) in the Fourth Plan to 15.9 billion Rials in the Fifth Plan.

Table 1 shows the distribution of Fifth Plan credits.

Table 2 shows fixed investment in culture and the arts by the public and the private sector.

Credits for art education are included in the Education chapter.

Table 1. Total Fifth Plan credits for culture and the arts (billion Rials)

Programme	Current credits	Development credits			Total credits
		Fixed	Non-fixed	Total	
	(1)	(2)	(3)	(4)=(2+3)	(5)=(1+4)
1. Research, revival and preservation of the cultural heritage	0.214	1.873	1.850	3.723	3.937
2. Propagation of culture	0.565	1.768	1.400	3.168	3.733
3. Art education	0.190	1.399	0.617	2.016	2.206
4. Facilities for literary and artistic creation	—	0.160	0.165	0.325	0.325
5. Cultural relations	0.100	—	0.168	0.168	0.268
6. Research	—	—	—	—	—
7. Administrative services	5.470	—	—	—	5.470
Total	6.539	5.200	4.200	9.400	15.939

Table 2. Fixed investment in culture and the arts during the Fifth Plan (billion Rials)

Programme	Fixed investment						
	Public sector			Private sector			Total
	From development credits	From the resources of public enterprises	Total	From private savings	From development credits	Total	
	(1)	(2)	(3)=(1+2)	(4)	(5)	(6)=(4+5)	(7)=(3+6)
1. Research, revival and preservation of the cultural heritage	1.873	—	1.873	—	—	—	1.873
2. Propagation of culture	1.568	—	1.568	0.200	0.200	0.400	1.968
3. Art education	1.399	—	1.399	—	—	—	1.399
4. Facilities for literary and artistic creation	0.160	—	0.160	—	—	—	0.160
5. Cultural relations	—	—	—	—	—	—	—
Total	5.000	—	5.000	0.200	0.200	0.400	5.400

CHAPTER

22

Tourism

1. Basic objectives

Apart from its favourable geographical position between East and West, Iran possesses a number of natural, cultural and other attractions which may be offered to the international tourist market.

Meanwhile the implementation of development plans, economic prosperity, increase in per capita incomes and increased leisure-time have already led to the development of a domestic tourist industry. In view of tne economic significance of the expansion of the tourist industry, the basic objectives of this programme will be to make Iranian culture better known, to improve facilities for foreign and domestic tourists and attract a larger number of foreign tourists.

2. General guidelines and policies

2.1. Private sector

In view of previous experience the Government will, as far as possible, avoid direct operation of tourist facilities in the Fifth Plan, and Government investment will instead be directed to creating facilities which do not interest or are beyond the capacity of the private sector.

2.2. Domestic tourism

Special attention will be paid to providing reasonably priced, medium-quality accommodation and recreational facilities for middle and low-income domestic tourists.

2.3. Credit policy

Substantial revision will be made in the regulations applying to the granting of loans to the private sector, in order to guide and stimulate investments in desirable directions.

2.4. Tourist Accommodation Corporation

The administration and operation of the tourist facilities attached to the Tourist Accommodation Corporation will be substantially revised to enable it to operate on a commercially profitable basis and as far as possible prevent it from running at a loss.

2.5. Tourist facilities

In cooperation with other Government agencies, the Iran National Tourist Organization will endeavour to offer tourists better facilities for travel, accommodation and recreation.

3. Specific programmes

3.1. To increase the number of foreign tourists from 415,000 in the last year of the Fourth Plan to 925,000 in the last year of the Fifth Plan.

3.2. To increase the number of domestic tourists from about four million in the last year of the Fourth Plan to six million in the last year of the Fifth Plan.

3.3. To increase the number of tourist rooms and beds in hotels and similar tourist accommodation from 11,800 rooms and 25,350 beds at the end of the Fourth Plan to 21,000 rooms and 45,750 beds at the end of the Fifth Plan period.

The Fifth Plan target is therefore 9,200 new rooms of various classes and 20,400 beds.

A variety of other tourist accommodations have been envisaged in urban centres, at frontiers, on tourist routes and in tourist and recreational centres. These include youth hotels, camps, tourist complexes in the Caspian region, at spas, in mountain resorts, and near dams, as well as tea houses and pilgrim hostels. For young people, there will be 4,750 tents with 18,500 beds, eight tourist centres with 12,000 beds, and 750 rooms with 2,500 beds. An equal amount of facilities will be provided for pilgrims.

In addition to these measures, programmes will also be implemented in the fields of advertising and training personnel in tourist services at the primary, secondary and advanced level.

4. Investment and development credits

Total credits for tourism will rise from four billion Rials (consisting of 3.6 billion Rials from the Development Budget and 0.4 billion Rials from the Ordinary Budget) in the Fourth Plan, to 8.9 billion Rials in the Fifth Plan.

Table 1 shows the distribution of Fifth Plan credits and Table 2 shows fixed investment in tourism by the public and private sectors in the Fifth Plan.

Credits for tourism services training are included in the Education chapter.

Table 1. Total Fifth Plan credits for tourism
(billion Rials)

Programme	Current credits	Development credits			Total credits
		Fixed	Non-fixed	Total	
	(1)	(2)	(3)	(4)=(2+3)	(5)=(1+4)
1. Establishment and expansion of luxury tourist establishments	—	2.570	—	2.570	2.570
2. Establishment and expansion of medium-class tourist establishments	—	3.127	—	3.127	3.127
3. Establishment and expansion of low-cost tourist establishments	—	1.353	—	1.353	1.353
4. Advertising and publicity	0.425	—	0.540	0.540	0.965
5. Research	—	0.110	—	0.110	0.110
6. Administrative services	0.842	—	—	—	0.842
Total	1.267	7.160	0.540	7.700	8.967

Table 2. Fixed investment in tourism during the Fifth Plan
(billion Rials)

Programme	Fixed investment						Total
	Public sector			Private sector			
	From development credits	From the resources of public enterprises	Total	From private savings	From development credits	Total	
	(1)	(2)	(3)=(1+2)	(4)	(5)	(6)=(4+5)	(7)=(3+6)
1. Establishment and expansion of luxury tourist establishments	1.070	—	1.070	3.100	1.500	4.600	5.670
2. Establishment and expansion of medium-class tourist establishments	1.917	—	1.917	4.000	1.100	5.100	7.017
3. Establishment and expansion of low-cost tourist establishments	0.863	—	0.863	1.900	0.600	2.500	3.363
4. Research	0.110	—	0.110	—	—	—	0.110
Total	3.960	—	3.960	9.000	3.200	12.200	16.160

CHAPTER

23

Health, Medical Treatment, Nutrition and Birth Control

1 Basic objectives

In view of the fact that health is a basic individual and social right and also an important factor in economic and social growth, the basic objective of the Fifth Plan in this field is to promote public health through preventive measures, campaigns against disease, the expansion of environmental sanitation, improved public nutrition, family planning, qualitative and quantitative expansion of medical treatment services, and lastly, rehabilitation.

2. General guidelines and policies

2.1. The guidelines and policies of the health, medical treatment, nutrition and family planning programmes are as follows:

- It will be the responsibility of the Government to provide a minimum level of medical treatment services which shall be available to the general public.
- The programme for medical treatment will be based on making the minimum required services available to the entire population while specialized services can be made available in large centres according to progressive medical principles.
- All units providing medical services will in some manner be brought within a single network of comprehensive and coordinated services, and the programme of Government aid and investment in the establishment of medical units will observe an equitable geographic distribution of such facilities within the framework of such a system.
- In view of the shortage of specialized manpower and other economic and technical factors, the establishment of hospitals in rural areas and small towns will be avoided and emphasis placed on large hospitals meeting regional needs.
- Medical insurance will be carried out in principle through the purchase of services from the private sector, but in regions where the establishment of medical facilities by the private sector is unlikely, the public sector will undertake to supply medical services and if necessary insurance services.
- All public sector and charitable hospitals will devote their services to uninsured low-income groups.
- As an incentive to private physicians and hospitals, in view of the experience gained during the Fourth Plan, the Government will not only continue granting loans to groups of physicians and surgeons, but will also complete the construction of hospitals envisaged in the Plan which will be leased or sold on easy terms to such groups and the services required for low-income groups and civil servants will be purchased from such groups.
- With regard to medical and health services in rural areas, health

services will be supplied on a completely mobile and even house-to-house basis on a country-wide level covering all villages, in view of the low density of population, and small mobile units will be established close to rural medical and health centres. Auxiliary personnel will also be trained to provide first aid and simple treatment in distant villages. These auxiliaries will function under the supervision of the rural medical and health centres. In view of the difficulties experienced in posting doctors to rural areas, the establishment of new medical organizations in such areas will be prevented, and efforts will be made to establish operational links between the medical and health networks in rural and urban regions.

- The main purpose of the comprehensive nutrition programme in the Fifth Plan is to ensure that minimum nutritional requirements are met in order to eliminate nutritional defects among low-income groups.

- The contents of nutritional programmes will be based on the kind of difficulties faced by any particular group, with regard for their customs, culture, practicality and low cost. Efforts will be made to ensure that these programmes cover a sufficiently large section of the population and are coordinated with other health services provided to low-income groups.

- In order to ensure the success of the comprehensive national nutrition programme and to coordinate its various activities, a committee will be formed in the Plan and Budget Organization consisting of the representatives of the executive agencies concerned.

- With regard to the training of the medical personnel, the inadequacies of the present system of education in responding to society's need are fully recognized, and it is therefore essential, in view of the quantitative and in some cases qualitative needs of health services, out-patient treatment, hospitalization and specialized treatment, that the system be revised.

2.2. Functions and responsibilities

The functions and responsibilities of each major Government agency providing medical services are as follows:

- The Ministry of Health, in addition to controlling and coordinating medical and health institutions, will carry out public health programmes and some out-patient treatment, and also administer hospitals for chronic diseases.

- Medical faculties will expand their facilities and improve the standards of their hospitals in proportion to their training needs, and efforts will be made to devote services of these hospitals towards training.

- The Red Lion and Sun Society will be responsible for providing medical services to low-income groups not covered by medical insurance. To fulfill this role the Society will expand its hospitals, according to Fifth Plan standards, and will receive financial assistance from the Government.

- The Imperial Organization for Social Services will not build any new hospitals but by increasing medical and health activities in its dispensaries will assume a larger role in meeting the medical and health needs of the rural population. Existing hospitals of the Imperial Organization will

be expanded within the framework of the national hospital master plan, and with due regard for unified regional administration.

- Out-patient medical services will be provided to all rural inhabitants through the rural medical and health system, and until such time as the system can meet the needs of the insured rural population the Rural Social Insurance Organization will itself undertake to provide the medical services required in the region in question. Once out-patient treatment facilities for inhabitants of the rural region are established they will be transferred to the rural medical and health system. Hospitalization for the insured rural population will be effected through the purchase of such services from the private sector and in cases where urgent medical services are required by insured persons all public sector and charitable hospitals will be obliged to accept such patients for treatment.

- The Social Insurance Organization, which is responsible for the medical insurance of all persons subject to the relevant legislation will strive to expand the number of insured persons within the framework of a long-term programme, all wage-earners and salaried personnel, except civil servants, will have medical insurance cover.

In view of the national medical policy, the said Organization will not be permitted to establish new hospitals and will provide the services required, proportionately to the increase in the number of insured persons, from the private sector, except in regions where sufficient private or public hospitals are not envisaged in the Plan.

- The Mothers and Infants Protection Society will complete and operate its unfinished maternity hospitals, and will turn its smaller maternity hospitals into general hospitals in order to increase their efficiency. To this end the Society will cooperate with the Red Lion and Sun Society .

- To prevent inequalities in medical treatment, other charitable organizations will not be allowed to build hospitals from Government financial aid. Unfinished hospitals belonging to charitable hospitals will of course be completed.

3. Specific objectives and programmes

In the Fifth Plan, seven major health programmes have been drawn up, as follows:

a) Birth control;
b) Health services;
c) Medical services;
d) Rural medical and health services;
e) Improved untrition;
f) Training;
g) Health research.

3.1. Birth control

Iran's current rate of population growth is about 3.1 per cent, one of the highest in the world. To achieve the national social and economic objectives, top priority has been given to the implementation of the birth

control programme, particularly in view of the fact that mortality rates are gradually dropping as a result of improved living conditions.

Since a reduction in the birth rate is subject to a number of social and technical factors, within the existing criteria efforts will be directed towards reducing the birth rate as much as possible, eventually to one per cent. To achieve this objective and in view of the maximum number of applicants expected to request these services, it is expected that the decrease in the birth rate during the Fifth Plan period will be about seven per thousand, from 47 to 40 per thousand. In this case, and assuming that the mortality rate will drop from 16 to 14 per thousand in the Fifth Plan period, the annual rate of growth of population will be reduced to 2.6 per cent by the end of the Fifth Plan. To achieve this objective will necessitate an increase in the effective coverage of the birth control programme from six per cent to 20 per cent of women in the child-bearing age group. It is expected that in the Fifth Plan the health system will expand to enable this target to be met.

3.2. Health services

-to improve the physical and mental health of the nation, prevention is more practical and economical than treatment. Within the framework of what is technically and executively possible the following objectives have therefore been envisaged:

- to control all infectious diseases that can normally be prevented through immunization. The extent of coverage is shown in Table 1;

Table 1. Immunization coverage in the Fifth Plan

Type of immunization	Age group	Present coverage (per cent)	Coverage by end of Fifth Plan (per cent)	No. of vaccinations administered in the Fifth Plan
Measles	7 months to 9 years	50	90	5 million
B.C.G. (T.B.)	6 months to 20 years	30	90	13 million
Diphtheria, tetanus, whooping cough	3 months to 5 years	40	70	7 million
Diphtheria, tetanus	5 years to 10 years	40	70	7 million
Polio	Up to 14 years (urban pop.)	75	90	9 million
Smallpox	All ages	75	90	50 million
Cholera	10 million per year as required by region			50 million
Total				141 million

- to reduce the incidence of other types of infectious diseases, such as trachoma, venereal diseases, leprosy, Malta fever, and the like by 30 per cent;

- to improve mother and child health, school health, vocational health, mental health, and oral health;

- to control environmental sanitation, foodstuffs, pharmaceuticals and cosmetics.

The above objectives as well as the implementation of birth control programmes will be carried out through a health network consisting of 1,050 main and secondary health centres in urban areas and 1,700 medical and health centres in rural areas. The expansion of the programme includes the establishment of 70 main health centres and 340 secondary centres in urban areas, and 600 mixed centres in rural areas.

3.3. Medical services

The number of hospital and sanatorium beds at the end of the Fourth Plan was 13.6 beds per 10,000.

In view of the limitations in securing medical personnel, the Fifth Plan target is to increase the ratio of hospital beds by 35 per cent to 18.4 per 10,000. To achieve this target the number of hospital beds must increase by 24,000, of which 2,700 beds will be in Red Lion and Sun Society hospitals, 1,500 in teaching hospitals, 10,800 in hospitals attached to other Government organizations affiliated to the public sector, and 7,000 will be established through loans to the private sector. In addition, another 2,000 hospital beds will be set up by the private sector without any Government financial assistance.

With the realization of the above targets, the total number of hospital beds at the end of the Fifth Plan will be 66,000, distributed among the various organizations as follows:

- Hospitals attached to the Government agencies and to charitable organizations will have 44,000 beds, or 67 per cent of total hospital beds.

- Private hospitals will have 15,000 beds, or 32 per cent of total hospital beds.

- Hospitals attached to social insurance and other organizations will have 6,000 beds or 10 per cent of total hospital beds.

3.4. Rural medical and health services

The qualitative and quantitative improvement of the rural medical and health services is one of the major objectives of the health programme. By adding 600 new mixed medical and health centres in the rural development zones, a country-wide network consisting of 1,400 mixed centres with 300 Health Corps groups will be set up, each unit being responsible for four functions at the village level: out-patient treatment, immunization, birth control and nutrition.

3.5. Improved nutrition

Seen in the long term, improved nutrition standards will result from the implementation of development policies, particularly policies aimed at raising the level of low-income families, providing necessary foodstuffs, subsidizing food prices (especially wheat and bread) in the interests of producers and consumers. Since the realization of these objectives requires much time, however, the implementation of a nutrition programme is envisaged in the Fifth Plan.

The main aspects of the direct nutrition programme in the Fifth Plan are as follows:

- to increase the consumption of bread in order to offer calories and protein to all age groups except children under three years of age.

- to enrich bread with vitamin A, vitamin B_1 and, if possible, vitamin C.

- to study the possibility of adding iron to bread and iodine to salt to help preventing anaemia and goitre.

- to establish nutritional services in the health system to control malnutrition among children under three years of age;

- to supplement the diet of school children, mothers and workers;

- to expand executive capacity for planning and research, and provide the necessary personnel.

Specific Fifth Plan nutrition programmes are:

- Nutritional programmes for children under 3.

The treatment and rehabilitation of children suffering from severe malnutrition through competent treatment organizations so as to provide such treatment for 15,000 children by the last year of the Fifth Plan. The rehabilitation of less severe cases of malnutrition will be carried out through 100 rehabilitation centres, providing treatment for 50,000 children by the last year of the Fifth Plan.

The nutrition of underprivileged children in this age group will be carried out through the mother and child health system, by using baby food and food suitable for infants and young children prepared by the family. It is expected that by the end of the Plan period coverage of children in this age group will be 30 per cent in urban areas and 10 per cent in rural areas.

- Nutrition of children in the 3-5 age group.

Meals will be provided for all children in rural kindergartens (138,000 at the end of the Plan period) and for needy children in urban kindergartens (220,000 at the end of the Plan period).

- Nutrition of other vulnerable groups.

By the end of Fifth Plan meals will be provided to 480,000 children in urban areas and one million children in rural areas.

- Nutrition of other vulnerable groups:

The nutrition of pregnant women, who form the most vulnerable of adult groups, will be carried out through mother and child health centres. Coverage by the end of the Fifth Plan will be 30 per cent in urban areas and 10 per cent in rural areas. Deficiencies of essential vitamins will to

some extent be made up by enriching flour produced in large flour mills.

- Nutritional education.

The Ministry of Health will be responsible for carrying out a programme of educating the public in nutritional principles and making the maximum use of individual family and regional food resources, with due regard for local culture and customs and within the framework of an overall educational programme, including word-of-mouth publicity and utilization of the mass media.

3.6. Training

To provide the trained personnel required for medical and health services during the Fifth Plan, the following objectives are envisaged for the Fifth Plan:

- to establish two medical faculties, three schools for medical auxiliaries, 36 nursing schools, nine schools for urban and rural midwives, 35 schools for training technicians and technical assistants, in laboratory, radiological, pharmaceutical and public health fields and three schools for training planning, administrative, nutritional and dietician specialists.

3.7. Health research

The objective of this programme is to identify the problems related to public health and medical services, to find appropriate solutions and to extend knowledge of public health. The following fields of research are envisaged in the Fifth Plan:

- research related to the birth control programme so as to discover the best methods for preventing unwanted pregnancies and also the best methods for registering vital statistics;

- research related to the determination of specific mortality rates and increased efficiency of medical and health facilities and problems relating to environmental sanitation;

- research into endemic diseases and the development and production of vaccines and other biochemical materials required;

- research into cancer and cardio-vascular diseases;

- research into infectious diseases;

- research into long-term medical and health programmes and policies;

- research to discover the best methods of training medical and related personnel;

- research into various food and nutritional problems.

4. Investment and development credits

Total credits for health, medical treatment, nutrition and birth con-

trol programmes amount to 116.5 billion Rials, of which 52 billion Rials is allocated from the Development Budget.

Table 2 shows total Fifth Plan credits and Table 3 shows fixed investment in the programmes of health, medical treatment, nutrition and birth control during the Fifth Plan period.

Table 2. Total Fifth Plan credits for health, medical services, nutrition and birth control programmes
(billion Rials)

Programme	Current credits	Development credits			Total credits
		Fixed	Non-fixed	Total	
	(1)	(2)	(3)	(4)=(2+3)	(5)=(1+4)
1. Birth control	4.70	0.10	3.10	3.20	7.90
2. Health services	14.20	6.00	8.00	14.00	28.20
3. Medical services	24.00	15.00	6.50	21.50	45.50
4. Rural medical and health services	15.50	1.90	4.10	6.00	21.50
5. Nutrition					
a) Children under 3	—	—	2.50	2.50	2.50
b) Kindergarten and primary school children	0.35	—	2.80	2.80	3.15
c) Public nutrition and education	0.20	—	0.40	0.40	0.60
6. Research					
a) Health	1.50	0.60	0.80	1.40	2.90
b) Nutrition	0.25	0.05	0.15	0.20	0.45
7. Administrative services	3.80	—	—	—	3.80
Total	64.50	23.65	28.35	52.00	116.50

Credits for training technical personnel are included in the Education chapter.

Table 3. Fixed investment in health, medical services, nutrition and birth control during the Fifth Plan
(billion Rials)

Programme	Fixed investment						Total
	Public sector			Private sector			
	From development credits	From the resources of public enterprises	Total	From private savings	From development credits	Total	
	(1)	(2)	(3)=(1+2)	(4)	(5)	(6)=(4+5)	(7)=(3+6)
1. Birth control	0.10	—	0.10	—	—	—	0.10
2. Health services	6.00	—	6.00	—	—	—	6.00
3. Medical services	10.00	1.00	11.00	4.00	5.00	9.00	20.00
4. Rural medical and health services	1.90	—	1.90	—	—	—	1.90
5. Nutrition	—	0.30	0.30	0.20	—	0.20	0.50
6. Health and nutritional research	0.65	—	0.65	—	—	—	0.65
7. Administrative services	—	—	—	—	—	—	—
Total	18.65	1.30	19.95	4.20	5.00	9.20	29.15

Credits for training technical personnel are included in the Education chapter.

CHAPTER

24

Social Security and Welfare

Introduction

With the experience of social welfare gained from the Fourth Plan, and the problems caused by the novelty of the programme, at both the planning and the implementation stage, attempts have been made in the Fifth Plan to define according to specific criteria the nature of the needs of each group which is to benefit from the services provided, and then to determine the priorities, with due regard to the financial resources available and other factors.

Because of the particular importance attached to social insurance the programme was broadened and renamed the Social Security programme. With due regard to the above considerations, the following priorities in the provision of welfare services have been established.

- low level of income: in accordance with this criterion, urban groups in undeveloped urban and rural areas, as well as unskilled workers, will benefit from welfare assistance;

- social significance of the groups: this criterion covers children, because of their future role in society, and teachers, because of their critical role in educating future generations;

- disability and vulnerability: according to this criterion, physical, mental and social rehabilitation will receive priority because of humanitarian and social considerations.

In view of the above considerations, the programmes of social welfare and security will consist of five basic programmes: workers' social insurance, rural social insurance, civil servants' social insurance, welfare services, rehabilitation of disabled persons. There will also be two subsidiary programmes consisting of social participation and communications, manpower training and research.

Social security

1. Basic objectives

Social security consists of all measures which contribute to the achievement of the following objectives:

- physical security and provision of the necessary services in times of disasters or emergencies;

- appropriate and desirable security for family members in the case of death or disability of the head of the family;

- security of livelihood for the aged, disabled and unemployed;

- security of medical services in times of illness and pregnancy;

- security of essential social and cooperative assistance.

2. General guidelines and policies

2.1. Workers' social insurance

The guidelines and executive policies with regard to workers' social insurance are as follows:

- During the Fifth Plan period all persons insured by the Social Insurance Organization who pay their insurance contributions must be provided with the services and other benefits to which they are legally entitled. (At present about 30 per cent of insured persons on whose behalf premiums are paid cannot use the legal benefits.)

- The rate of contributions should be separately calculated for each type of benefit provided by the Social Insurance Organization, such as sickness, retirement, death, and so on.

- Part of the income of the Social Insurance Organization, after provision for operational costs and legal reserves, should be invested for the expansion of medical facilities through the granting of loans to medical groups.

- To discourage unnecessary requests for medical services, insured persons will have to bear a small share of treatment costs.

- Insured persons must have the right to choose their own physicians, and the system of employing staff physicians will not be expanded.

- The Social Insurance Organization must keep separate records for each insured person and the employer must submit a list of their names at the time of paying contributions on their behalf.

- To facilitate the rapid expansion of the social security system to cover all wage and salary earners, and in view of the difference in nature between medical services and long-term obligations of the Social Insurance Organization, all medical insurance affairs should be centralized in an independent authority, while functions such as those relating to old age, pensions, disability and death should be centralized in another independent organization.

The High Council of Social Insurance will coordinate the work of the two organizations and act as a link between them.

- The personnel and administrative costs of the Social Insurance Organization should be compared with the world average on the basis of the obligations undertaken, and recruitment of new personnel should be proportionate to the volume of work and other justifiable criteria.

- In view of the low payments paid to retired persons, next-of-kin

and disabled persons, action must be taken to raise these payments with due regard to the cost of living and minimum wage levels.

- The Social Insurance law must be revised to provide coverage for medical treatment for retired and disabled persons and their dependants, as well as to the next-of-kin of deceased insured persons.

- In view of the national policy for medical services, the Social Insurance Organization should improve its own medical facilities and obtain the additional medical services it requires through purchasing them from the private and public sectors. Where there are insufficient facilities, it should build hospitals in coordination with the medical system and with the approval of the Ministry of Health.

2.2. Civil servants' social insurance

With respect to civil servants' social insurance the following guidelines and policies are envisaged:

- Social justice requires that the law providing medical services to civil servants, both employed and retired, be first applied to those groups not at present benefiting from any medical services.

- It is necessary that during the Fifth Plan period a proper civil service pension fund be established, which should as far as possible be independent from the Government budget.

- Contributions to the fund by the Government and employees should be revised so that pension deductions and pension payments be based either on salaries or on salaries and allowances.

- All employment laws and regulations which in any way prejudice the pension rights of civil servants should be amended.

- Laws and regulations relating to pension rights in Government agencies and public enterprises should be coordinated as far as possible.

2.3. Rural social insurance

In the case of rural social insurance the following executive policy has been established:

All out-patient treatment for the entire rural population will be provided by the national medical and health system.

Until such time as out-patient medical services required by the insured rural population can be supplied through the rural medical and health system in a given area the Rural Social Insurance Organization will itself undertake to supply the services required. Once the treatment facilities are available, however, the Rural Social Insurance Organization will devote its efforts to its other statutory functions. If cases require specialist treatment or hospitalization, insured persons will utilize private sector facilities and if these are not available, public sector facilities will be made available.

3. Specific objectives and programmes

The long-term social security objective is 90 per cent insurance coverage in urban areas over a period of 15 years with respect to medical services, death, disablement and retirement, and 80 per cent insurance coverage in rural areas over the next 20 years with respect to medical services, disablement and death of the family head.

3.1. Workers' social insurance

The Fifth Plan targets for workers' social insurance are as follows:

- to increase the number of medically insured workers from the present level of 900,000 to 1.4 million by the end of the Ftfth Plan, and including dependants from 3.4 million to 5.1 million persons;

- to increase the number of workers insured against death, disablement and retirement from 950,000 to 1.5 million by the end of the Fifth Plan period, and including dependants from 3.6 million to 5.7 million persons;

- to increase the ratio of hospital beds per thousand insured workers and dependants from 1.9 to 2.5 and reduce the number of consultations made by physicians from the present level of between 60 and 100 per day to 50 per day;

- to introduce unemployment insurance for 100,000 workers subject to the Labour Code, on an experimental basis, to provide protection for 500,000 persons, including dependants.

3.2. Insurance for civil servants, salaried staff, self-employed workers and other groups

The objectives of this programme are as follows:

- to provide medical services to 80 per cent of all civil servants and their dependants, and thereby increase coverage from 260,000 at present to 2.000,000 by the end of the Plan period.

- the number of civil servants covered by the Pension Fund will increase from 300,000 to 450,000, and total coverage including dependants, increase from 940,000 to 1.4 million persons.

-to ensure that about 300,000 salaried staff in the private sector and 400,000 self-employed persons in urban areas will be covered by medi cal insurance and pension schemes.

- to ensure that all school-children and students in urban areas are insured against accidents through contracts with insurance companies.

3.3. Rural social insurance

Medical insurance coverage for rural inhabitants will increase from 150,000 to 4,000,000 persons by the end of the Fifth Plan period. In addition, 100,000 people will be insured against death, giving a total coverage, including dependants, of 500,000 persons.

Table 1 gives a comparison of the number of persons covered by social insurance at the end of the Fourth Plan and the end of the Fifth Plan.

Table 1. Persons covered by social insurance at the end of the Fourth Plan and at the end of the Fifth Plan
(thousands)

Insured groups	Persons covered by medical insurance				Persons covered by life, retirement and disability insurance			
	No. of insured		No. of insured including dependants		No. of insured		No. of insured including dependants	
	End of Fourth Plan	End of Fifth Plan	End of Fourth Plan	End of Fifth Plan	End of Fourth Plan	End of Fifth Plan	End of Fourth Plan	End of Fifth Plan
Wage earners and salaried personnel other than office workers (through the Social Insurance Organization)	900	1,400	3,400	5,100	950	1,500	3,600	5,700
Civil servants and employees of public enterprises	360	600	260	2,000	300	450	960	1,400
Private sector office workers	—	80	—	300	—	80	—	300
Self-employed persons	—	100	—	100	—	100	—	400
Rural population	20	800	100	4,000	—	100	—	500
Total	1,180	2,980	3,760	11,500	1,250	2,230	4,560	8,300

WELFARE SERVICES

1. Basic objectives

The general objective of this programme is to provide some of the minimum requirements of relatively deprived groups or groups with specific social characteristics, which justify their priority. These groups include residents of undeveloped urban and rural regions, unskilled workers, children, orphans, old people, afflicted persons, teachers, and physically, mentally and socially disabled persons.

2. General guidelines and policies

2.1. General policies

The general policies for the welfare services programme in the Fifth Plan are as follows:

- to encourage well-to-do groups to provide assistance in order to achieve programme objectives;

- to make use of traditional institutions (such as the Endowments Organization) in coordination with the policies of the Social Security and Welfare chapter;

- to evaluate and revise certain laws and organizations so as to coordinate them with social changes and the objectives of the Fifth Plan;

- to observe the principle of decentralization and make extensive use of local organizations in the implementation of the programme;

- to try to obtain the cooperation and self-help of the beneficiaries;

- to coordinate social welfare programmes by strengthening the secretariat of the High Council for Social Welfare;

- to make use of the services of women eligible for the law of women's social service;

- to establish multi-purpose centres to consolidate some services which might usefully be consolidated for the realization of objectives;

- to make use of the services of voluntary social workers.

2.2. The functions and responsibilities of Government agencies:

The ministries and Government agencies responsible for the implementation of social security programmes are as follows:

- the Ministry of Labour and Social Affairs: workers' social insurance, family welfare, workers' welfare and the welfare of physically disabled adults;

- the Ministry of Education: children's welfare, teachers' welfare, and the education of physically disabled children;

- the Ministry of Justice: orphans, juvenile delinquents and prisoners;

- the Ministry of Interior: unmarried mothers, old people and mendicants;

- the Ministry of Cooperatives and Rural Affairs; rural social insurance and welfare;

- the Ministry of Health: civil servants' medical insurance, rehabilitation of retarded adults, the mentally ill and drug addicts;

- the Ministry of Information: social relations;

- the Universal Welfare Legion and other organizations: voluntary services.

3. Specific objectives and programmes

3.1. Family and child welfare

The objective is to provide welfare services to low-income families in over-crowded and undeveloped urban areas through family welfare centres, and to look after the children of working mothers in day nurseries, by establishing 100 family welfare centres and 150 day nurseries.

3.2. Orphans' welfare

The objective is to provide for the maintenance of orphans by establishing 120 foster family homes, equipping 10 nurseries and 10 boarding houses, and setting up one new orphanage nursery for 500 infants and one foster family home complex.

3.3. Rural welfare

During the Fifth Plan period the activities of rural houses of culture will be consolidated with the activities of the rural development zones, and a number of houses of culture established in the Fourth Plan will be renovated. In addition all existing houses of culture will be properly equipped and staffed. Furthermore, so as to centralize the payment of financial assistance required by farmers in cases where crops are lost through drought, pest damage, frost and the like, the Ministry of Cooperatives and Rural Affairs will take measures to establish a Fund for such purposes within the Central Organization for Rural Cooperatives. The Fund will obtain the necessary credits from Government grants and self-help efforts of rural cooperative members.

3.4. Workers' welfare

During the Plan period efforts will be made to implement fully the workers' profit sharing scheme in productive and industrial firms. Action will also be taken to establish social welfare centres in residential areas with a large population of workers. A federation of consumers' cooperatives will be established to serve 300 workers consumers' cooperatives and 80 new workers' cooperatives will be established.

3.5. Teachers' welfare

The aim of this programmes is to provide for teachers' welfare and recreation, and the following quantitative targets have been set:

- to establish 24 cultural and social centres, one seaside resort, four mountain resorts;

- to establish or expand 150 consumers' cooperatives for teachers.

3.6. Emergency services

The objective is to centralize all first-aid services through the Red Lion and Sun Society, so that they are provided to afflicted areas directly or under its supervision. The Government will control house construction, especially in rural areas, from the point of view of vulnerability to earthquake damage. Government aid will be given to the private sector in areas damaged by earthquakes, floods and the like on the principle of self-help.

3.7. Rehabilitation of special groups

The overall objective is the rehabilitation of socially, physically and mentally disabled persons. The following measures are envisaged in the realization of this objective:

a) Juvenile delinquents: the establishment of 10 reformatories in

different cities and one boarding school for homeless young persons released from reformatories.

b) Drug addicts: Police and gendarmerie anti-narcotic squads will be strengthened and 3,000 hospital beds established for the treatment of drug addicts. Radio and television programmes will be established for the coordination of anti-narcotic and rehabilitation activities.

c) Prisoners: the establishment or renovation of 16 prisons, from credits allocated to Government buildings, the holding of literacy courses for 5,000 prisoners, from credits allocated to education, and assistance to the Prisoners Protection Society and the Prisoners Cooperative and Industrial Institute.

d) Mendicants: the completion of a training centre and functional literacy courses for mendicants.

e) Mentally retarded persons: literacy courses for 5,000 mentally retarded children, the establishment of a clinic for the identification of the type and degree of retardation, the creation of 10 centres for maintenance of incurable retarded adults, and the training of 500 special instructors.

f) Mentally ill persons: the construction of two new buildings for incurable cases adjacent to the two Government hospitals, and the establishment of three other homes in the provinces.

g) Deaf persons: the establishment of a well-equipped clinic for deaf persons, provision of functional literacy courses for about 7,500 deaf persons, and re-equipping three existing schools.

h) Blind persons: the training of 480 expert instructors, greater emphasis on the prevention and treatment of eye diseases at the village level, the provision of literacy courses to 5,000 blind persons, vocational training for 2,500 persons, the training of 50 specialists for teaching the blind through scholarship grants, the creation of protected workshops, the establishment of 2,000 retail stands and finally the creation of a special agricultural estate for the blind.

i) Other physically disabled persons: the establishment of 500 beds for the treatment and rehabilitation of the physically disabled, the creation of a rehabilitation centre for persons with damaged spines, from Health Chapter credits, the establishment of protected workshops for 7,500 disabled persons, the provision of vocational training for disabled persons and the creation of a residential centre for incurables.

3.8. Social relations and voluntary services

The objective of this programme is to establish relations and a spirit of cooperation between executive agencies and the public so as to encourage greater public participation in the implementation of development programmes.

3.9. Voluntary services

The basic objective is to mobilize all voluntary manpower, especially among young people and women, for the implementation of development programmes at the national level, and through the Universal Welfare Legion at the international level.

3.10. Manpower training and research

The objective of this programme is to train the manpower required for welfare programmes and to undertake research in order to identify existing problems and discover well-evaluated solutions.

a) Manpower training: the objectives are as follows:

- to establish a training course with an annual capacity of 60 social workers;
- to train 250 experts in various categories of welfare services by changing the curricula of related sciences such as sociology, psychology and educational science;
- to train 100 social planning experts at the post-graduate level;
- to provide a new course for training child instructors with a capacity of 100 persons and expand the existing institute to train 600 child instructors at the post-secondary level;
- to provide short-term training courses in cooperation with executive agencies in order to train 650 assistant child instructors;
- to create a new in-service and pre-service training unit for the existing staff of social and public welfare organizations as well as for new recruits, and provide training for about 1,200 executives of public welfare organizations.

b) Research: The objectives of this programme are as follows:

- to provide a training course in social affairs for 100 research specialists in the Fifth Plan period;
- to send 50 top-level research specialists to developed countries to work in research institutes to be trained as research directors;
- to train 100 social research workers;
- to implement 25 research projects to identify problems peculiar to welfare services, social security and social development;
- to establish and equip social research sections in academic institutions;
- to publish and translate 15 standard books on social research methodology;
- to hold two special seminars for study of social research problems.

4. Investment and development credits

Total credits for new social security and welfare to be implemented in the Fifth Plan amount to 16 billion Rials, of which 7.8 billion Rials will be for social security and 8.2 billion Rials for welfare services.

Table 2 shows the distribution of Fifth Plan credits for social security and welfare programmes and Table 3 shows investment in the sector during the Fifth Plan.

Table 2. Total Fifth Plan credits for social security and welfare (billion Rials)

Programme	Current credits	Development credits			Total credits
		Fixed	Non-fixed	Total	
	(1)	(2)	(3)	(4)=(2+3)	(5)=(1+4)
1. Workers' social insurance	—	—	0.10	0.10	0.10
2. Civil servants' social insurance	34.00	—	4.50	4.50	38.50
3. Rural social insurance	0.20	—	3.20	3.20	3.40
4. Welfare services	3.63	3.76	1.73	5.49	9.12
5. Rehabilitation of the disabled	0.61	1.41	0.62	2.03	2.64
6. Social participation and relations	—	0.33	0.10	0.43	0.43
7. Training and research [1]	0.02	—	0.25	0.25	0.27
Total	38.46	5.50	10.50	16.00	54.46

1 Welfare education funds are included in the Education chapter

Table 3. Fixed investment by the public sector in social security and welfare during the Fifth Plan (billion Rials)

Programme	From development credits	From the resources of public enterprises	Total
1. Workers' social insurance	—	—	—
2. Civil servants' social insurance	—	—	—
3. Rural social insurance	—	—	—
4. Welfare services	3.76	—	3.76
5. Rehabilitation of the disabled	1.41	—	1.41
6. Social participation and relations	0.33	—	0.33
7. Training and research	—	—	—
Total	5.50	—	5.50

CHAPTER 25

Physical Education, Youth and Scouting

1. Basic objectives

The basic objectives of the Fifth Plan with regard to physical education, youth and scouting programmes are as follows:

- to promote physical strength and mental health;
- to contribute to the balanced growth of children and youth and prepare them for a healthy life;
- to cultivate personality and a cooperative spirit among members of the community;
- to encourage healthy recreation;
- to provide the necessary opportunities and facilities for effective youth participation in social and development activities;
- to strengthen national and international understanding.

2. General guidelines and policies

2.1. Sport and physical education

The general guidelines and policies for sport and physical education are as follows:

- to promote sport and physical education as a Government function and strengthen the Iran Physical Education Organization as the agency that determines the appropriate guidelines and policies, and is responsible for the coordination and supervision of sports programmes in all sports organizations in Iran;

- to implement basic physical education programmes as far as possible through the ministries concerned, such as the Ministry of Science and Higher Education, the Ministry of Education, the Ministry of Labour and Social Affairs, the Ministry of Cooperatives and Rural Affairs, and other related agencies;

- to extend major sports (swimming, track and field events, gymnastics), as well as traditional and local sports, and observe a national sports day throughout the country, in order to encourage public participation in sports

- to increase the efficiency of existing centres by strengthening management, providing short-term courses for officials and completing existing units;

- to promote natural sports, such as hiking and mountaineering, so as to encourage people to get into the country as much as possible;

- to use mass communications to encourage the public to participate in sports and use television for sports instruction to make up for the shortage of coaches.

Priorities for sport and physical culture programmes are as follows:

1. to complete and equip existing establishments;

2. to establish sports facilities in schools and kindergartens;

3. to arrange training and refresher courses for administrative and technical staff;

4. to encourage private sector investment in sport and physical education through loans to private clubs.

2.2. Youth programmes

The general guidelines and policies for youth programmes are as follows:

- to revise the laws and organizational structure of certain responsible agencies in order to coordinate their activities with social change;

- to enrich the content of military instruction courses for young people, particularly from tribal and rural areas, to make them military-vocational courses of real practical benefit to conscripts when they take up employment after completing their military service;

- to coordinate the activities of the executive agencies responsible for youth affairs through the High Council of Social Welfare and define their functions after the activities of each agency have been studied;

- to observe the principle of greater participation by and utilization of the energies of the younger generation in the planning, implementation and evaluation of youth activities;

- to support collective social youth activities so as to make better use of their initiative, and help establish a cooperative retail store for young people;

- to provide facilities for recognition and exhibition of artistic works by adolescents and young adults so as to encourage their creative abilities and provide them with income;

- to establish a number of multi-purpose centres so as to centralize services, the provision of which in centralized form is necesary for the realization of the above objectives.

2.3. Scouting

The general guidelines and policies for scouting during the Fifth Plan are as follows:

- to draw up scouting programmes on the basis of community needs so as to attract individuals to scouting services;

- to allow non-scouts to use scouting facilities and expand scouting among all social groups.

3. Specific objectives and programmes

3.1. Sport and physical education

The specific objectives and programmes of sport and physical education in the Fifth Plan are as follows:

a) Kindergarten sports and games: to promote sports and games for kindergarten children the following facilities are envisaged:

- the establishment of 25 recreational areas for children in the 3-6 age group in public parks in provincial centres and three other large towns, each consisting of playgrounds, sports equipment, a small hall for indoor games, sanitary and other necessary facilities for children;

- the equipment of more than 1,000 nurseries, kindergartens, childrens' parks and childrens' homes with facilities for sports and games.

b) School and student sport: The following objectives are envisaged for school and student sports programmes:

- the establishment of 500 sports complexes for schools in large urban centres which do not at present have sports facilities;

- the construction of five large indoor stadium for physical education programmes at teacher training colleges and junior colleges;

- the establishment of sports complexes for Tehran and Mashhad Universities.

c) Public sport: The following obectives are envisaged for the expansion of public sport in urban and rural areas:

- the expansion and completion of the Aryamehr and Farahabad sports complexes;

- the completion of the College of Sports and Physical Education;

- the completion of existing public stadiums and clubs;

- the etablishment of two stadiums, each with a capacity of 25,000 persons;

- the establishment of 30 sports complexes, five specifically for workers, each with open-air practice areas, a swimming pool, field and track areas, and an indoor hall, with a total area of about 12,000 square metres;

- the construction of 10 indoor and 35 outdoor swimming pools;

- support for private clubs by means of loans;

- the promotion of rural sports through programmes relating to houses of culture to be implemented by the Ministry of Cooperatives and Rural Affairs.

d) Training of technical staff: The establishment of new courses and expansion of existing courses at the secondary school, first degree and master's degree level, as well as through in-service and short-term courses (from a few days to several weeks) for about 10,000 teachers, instructors and coaches;

e) Research: The determination of the minimum amount of training required for school sports teachers at primary, guidance and secondary schools, and studies of the best method of creating a coordinated technical and administrative sports system at the country level allowing for the facilities required.

3.2. Youth programmes

The specific objectives and programmes of the youth programme are as follows:

- the establishment of 40 youth centres in urban areas;

- the equipment of the Centre for the Intellectual Development of Children and Young Adults, and the establishment of 50 affiliated centres throughout the country;

- the equipment and utilization of 10 Red Lion and Sun Society youth centres;

- the provision of new courses for training youth instructors and guides at the post-secondary and graduate level in order to train 400 youth instructors.

- help in establishing retail cooperatives for young people.

3.3. Scouting

The specific objectives and programmes of scouting are as follows:

- the completion, equipment and utilization of 100 scouting centres and increasing the number of scouts to 500,000;

- the creation of 20 new scouting centres;

- the carrying out of preliminary arrangements for holding a World Jamboree in Iran;

- the training of up to about 20,000 scouting instructors;

- the expansion of recreation complexes around urban areas.

4. Investment and development credits

Total Fifth Plan credits for physical education, youth programmes and scouting are as shown in Table 1.

Table 2 shows the level of investment in physical education, youth programmes and scouting during the Fifth Plan period.

Table 1. Fifth Plan credits for physical education, youth programmes and scouting (billion Rials)

Programme	Current credits	Development credits			Total credits
		Fixed	Non-fixed	Total	
	(1)	(2)	(3)	(4)=(2+3)	(5)=(1+4)
1. Sport and physical education	19.71	7.50	1.00	8.50	28.21
2. Youth programmes	0.81	0.64	0.25	0.89	1.70
3. Scouting	0.34	0.56	0.05	0.61	0.95
Total	20.86	8.70	1.30	10 00	30.86

In addition to the 8.5 billion Rials development credits allocated to sport and physical education, a further eight billion Rials is allocated to school and university sport from the development credits of the Education chapter.

Table 2. Fixed public sector investment in physical education, youth programmes and scouting during the Fifth Plan (billion Rials)

Programme	Fixed public sector investment		
	From development credits	From the resources of public enterprises	Total
1. Sport and physical education	7.50	—	7.50
2. Youth programmes	0.64	—	0.64
3. Scouting	0.56	—	0.56
Total	8.70	—	8.70

In addition to the 7.5 billion Rials fixed investment in sport and physical education, a further 7.2 billion Rials will be invested in school and university sport from the development credits of the Education chapter.

CHAPTER

26

Statistics and Studies

1. Basic objectives

Significance is attached to statistics in the Fifth Plan as a basic tool for social and economic sectoral planning at all levels.

The objectives envisaged for statistics and studies have been selected so as to meet the various requirements expected from statistics for a variety of purposes.

During the Fifth Plan period while attention will be paid to remedying existing shortcomings, an attempt will be made for the first time to reorganize social and economic statistics at present compiled as independent haphazard functions within the framework of a unified system to be known as «the national accounts».

Although the compilation of such a national accounts system requires access to a large volume of data, it may still be possible to begin the system in a simple form and gradually expand and elaborate it.

With such an approach the basic objectives of statistics and studies in the Fifth Plan period will be as follows:

a) In view of the feasibility of preparing a set of national accounts over a period of several years the production, extraction and publication of the simplified statistical tables in the form of regular time series is the first objective of the statistics programme.

b) The second objective is to produce, extract and publish basic statistics on population, manpower, migration, employment, unemployment and under-employment and the like in the form of regular time series.

c) The third objective is to produce, extract and publish current statistics not only showing the level of activities of Government agencies but also serving as a basis for establishing planning needs and evaluating the results achieved by implementing programmes. This category includes statistics on education, health, medical and welfare services, and the like, at the country, province and urban district level.

d) The conducting of in-depth case studies, which are necessary to identify problems, evaluate results and recommend policies in various planning fields, is necessary.

2. General guidelines and policies

In order to facilitate the realization of the above objectives the following guidelines and policies have been determined:

- the functions and responsibilities of statistical units in each Government agency will be clearly and percisely defined;

- statistics will be organized as an independent function in every Government agency;

- the system of compiling current statistics at the province level will be strengthened on the basis of planning requirements and the needs of regional planning bureaus;

- definitions and geographic divisions for the areas covered by each statistical unit in Government agencies will be coordinated so that the various statistics produced are comparable;

- adequate emphasis will be placed on research to meet the basic needs of social and economic development.

3. Specific objectives and programmes

Within the framework of the above general objectives the following five specific programmes, in order of occurrence, will be implemented during the Fifth Plan period:

- Agricultural census; in 1352
- Industrial and mining census; in 1353
- A large-scale sample to meet the statistical requirements of preparing the Sixth Plan; in 1354
- The decennial census of population and housing; in 1353
- Reorganization of current vital statistics starting from the first year of the Fifth Plan period.

4. Investments and development credits

Credits for statistics and studies in the Fifth Plan will exceed six billion Rials, almost three times as much as the comparable Fourth Plan figure.

Table 1 shows the distribution of Fifth Plan credits by programme.

Table 1. Fifth Plan credits for statistics and studies
(billion Rials)

Programme	Current credits	Development credits			Total credits
		Fixed	Non-fixed	Total	
	(1)	(2)	(3)	(4)=(2+3)	(5)=(1+4)
1. Compilation and publication of general statistics	2.0	1.3	—	1.3	3.3
2. Compilation and publication of specific statistics	1.0	2.2	—	2.2	3.2
3. Vital statistics	3.5	1.0	—	1.0	4.5
4. Research and studies	4.0	1.0	0.7	1.7	5.7
Total	10.5	5.5	0.7	6.2	16.7